

Massachusetts Port Authority Board Meeting

November 21, 2024



Public Comment

Chair's Comments

**CEO Report
Richard Davey**

Launching a 5 point customer service plan to continue momentum at Logan Airport

Customer Experience

**Safe, Clean,
Calming and
Accessible
Facilities**



Courteous Staff



**Seamless
Intuitive
Transportation**



**Uniquely
Tailored
Concessions**

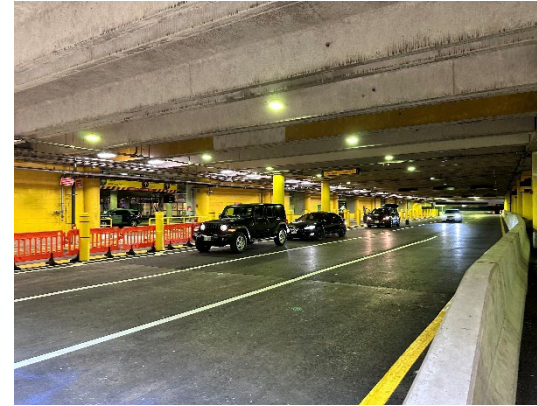


**Surprise &
Delight**

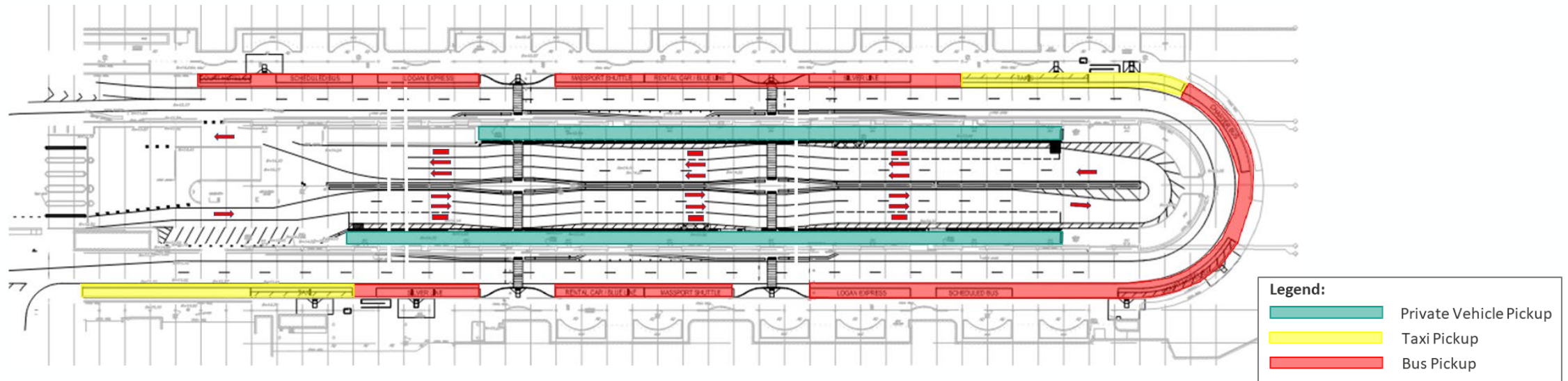


This morning we opened a new passenger pickup area at Terminal B to enhance safety, reduce congestion and improve the passenger experience

- Private vehicle passenger pickup on the Arrivals level was relocated from the outside curbs to inside the Terminal B garage
- 1,000 linear feet of new accessible curb for private vehicle passenger pickup was added to the garage
- Only buses and taxis can pick up passengers on the outside curbs

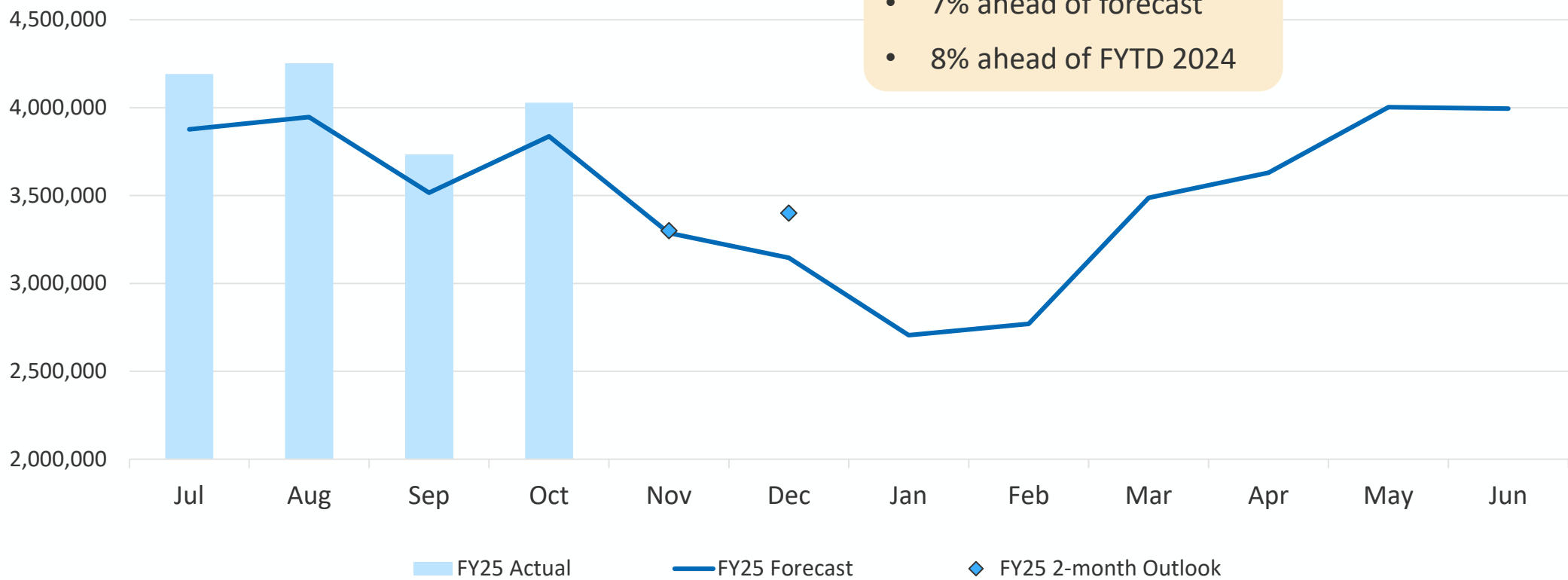


Terminal B Arrivals Level



Logan served 16M passengers FYTD October, approximately 7% better than forecast

Logan Passengers



Massport was awarded a \$10M FAA Airport Terminal Program grant

- FY25 grant will be used to replace the HVAC system in Terminal B with a new, energy-efficient system
- The 5-year \$5B competitive grant program for investment in airport terminals and roadways was created by the Bipartisan Infrastructure Law
- FY26 is the last funding year for the program



**Federal Aviation
Administration**

INVESTING IN AMERICA: Biden-Harris Administration Announces Nearly \$1 Billion in Funding to Modernize Airport Terminals Across 46 States

Thursday, October 24, 2024

WASHINGTON – The Federal Aviation Administration (FAA) is awarding \$970 million from President Biden's Bipartisan Infrastructure Law to 125 U.S. airports, spanning 46 states, Guam, and Palau. Today's announcement is the fourth investment of nearly \$1 billion, furthering the [Biden-Harris Administration's commitment to rebuilding our nation's infrastructure](#) while lowering costs for families, creating good jobs, and spurring economic growth.

**BUILDING BETTER
AIRPORT TERMINALS**

\$5B

Financial Performance: September 2024

Activity Highlights

- Logan served 3.7M passengers
- Conley Terminal processed 11,500 containers
- Real Estate revenues exceeded plan by \$0.3M
- Expenses were \$3.3M below budget

Financial Results

Revenues	\$117M
Expenses	<u>(\$99M)</u>
Contribution	\$18M

Net contribution will be used to fund the FY24-28 Capital Program including Net Zero initiatives and HOV enhancements

Continued pipeline building for local diverse businesses

- Hosted a Business Diversity Outreach webinar for diverse local businesses interested in procurement, construction, concession, design and real estate opportunities
- Attendees learned about bidding processes and upcoming opportunities over the next 1-2 years
- 50% of attendees registered with Massport to receive notifications of upcoming opportunities
- In-person Business Diversity Summit planned for Spring 2025



State Working Group on Sustainable Aviation Fuel (SAF) kicks off December 6, 2024

Massport's SAF Working Group partners:

- Executive Office of Energy and Environmental Affairs/
Department of Environmental Protection
 - Office of Climate Innovation and Resilience
 - MassDOT
 - MassCEC
 - Federal Funds and Infrastructure Office
 - Executive Office of Economic Development
- End goal - Recommendations to Governor Healey for advancing SAF use in Massachusetts
 1. Federal engagement and federal funding
 2. Current models of SAF adoption
 3. Opportunities for economic development
 4. Future stakeholder engagement



Massport and the Boston Celtics hung the Celtics' 18th NBA Championship banner in Terminal C's "Celebration of Champions" exhibit



For Veteran's Day we thanked Massport veterans and supported the USO New England's Care Package Program

- Honored Massport veterans with gestures of gratitude, including a personalized thank-you card, a commemorative pin, and a special appreciation lunch



- Joined Suffolk Construction and USO New England to assemble 1,000 care packages for active-duty military



Massport exceeded its DE&I goal for Charitable Contributions for Q1 FY25

Contributions

- **FY25 DE&I Goal:** Award **50%** of Massport's Charitable Contributions Program budget to organizations that serve predominately people of color
- **Q1 FY25 Actual:** **70%** of funds awarded to organizations or programs that serve predominately people of color
- 10 organizations received grants totaling \$42,500
 - 6 organizations serving predominately people of color received grants totaling \$30,000
 - 5 organizations are run by or have a person of color on the executive leadership team

Organizations Funded in Q1 Meeting DE&I Goal:



City of Boston
Parks & Recreation



THE
DIMOCK
CENTER



HarborCOV
Communities Overcoming Violence

NECAT
CULINARY ARTS TRAINING

ZUMiX

Other Organizations Funded in Q1:



Massport employees generously gave to the holiday food drive to support food pantries in our neighboring communities



South Boston Community Health Center Food Pantry



Winthrop Community Food Pantry

Donations made to four food pantries:

- East Boston Community Soup Kitchen
- South Boston Community Health Center Food Pantry
- Winthrop Community Food Pantry
- Veterans, Inc. Food Pantry in Worcester

Report of the Director of Aviation
Ed Freni

Logan Airport served a record number of passengers in October

Logan Activity October 2024

	Month	Prior Year	% Change Over Prior Year	FYTD 2024	FYTD 2023	% Change Over FYTD 2023
Passengers	4.0M	3.8M	5.8%	16.2M	15.0M	7.9%
Aircraft Operations	37.7K	35.3K	6.7%	152.2K	139.3K	9.2%

Iberia Airlines, the launch customer for the Airbus A321XLR aircraft, made its inaugural flight to Boston Logan Airport last week



Ribbon cutting for first Boston-Madrid flight with the A321XLR, Nov 15, 2024



IB 348 arrives at Boston Logan Airport, Terminal E, Nov 14, 2024

Spirit Airlines filed for bankruptcy protection

- On Monday, Spirit filed a Chapter 11 petition after working out terms with bondholders
- The airline will continue operating during restructuring aided by financing commitments from existing bondholders
- It expects to complete the Chapter 11 process in Q1 2025
- Spirit is the 5th busiest airline at Logan with a 4.8% passenger share (CYTD Sep)
- In January, a federal judge sided with the US DOJ to block a proposed merger with JetBlue

The New York Times

Spirit Airlines Files for Bankruptcy; Lost \$2.2 Billion in 5 Years

The low-fare carrier has struggled to find its footing after its planned merger with JetBlue was blocked by a federal judge.



Spirit Airlines had been racing to renegotiate its debt with bondholders.
Brandon Bell/Getty Images



By Niraj Chokshi

Nov. 18, 2024

Worcester Regional Airport passenger volume was down in October as airlines adjust schedules for the soft shoulder season

Monthly

- October: 13,600 passengers, down 11% over prior year

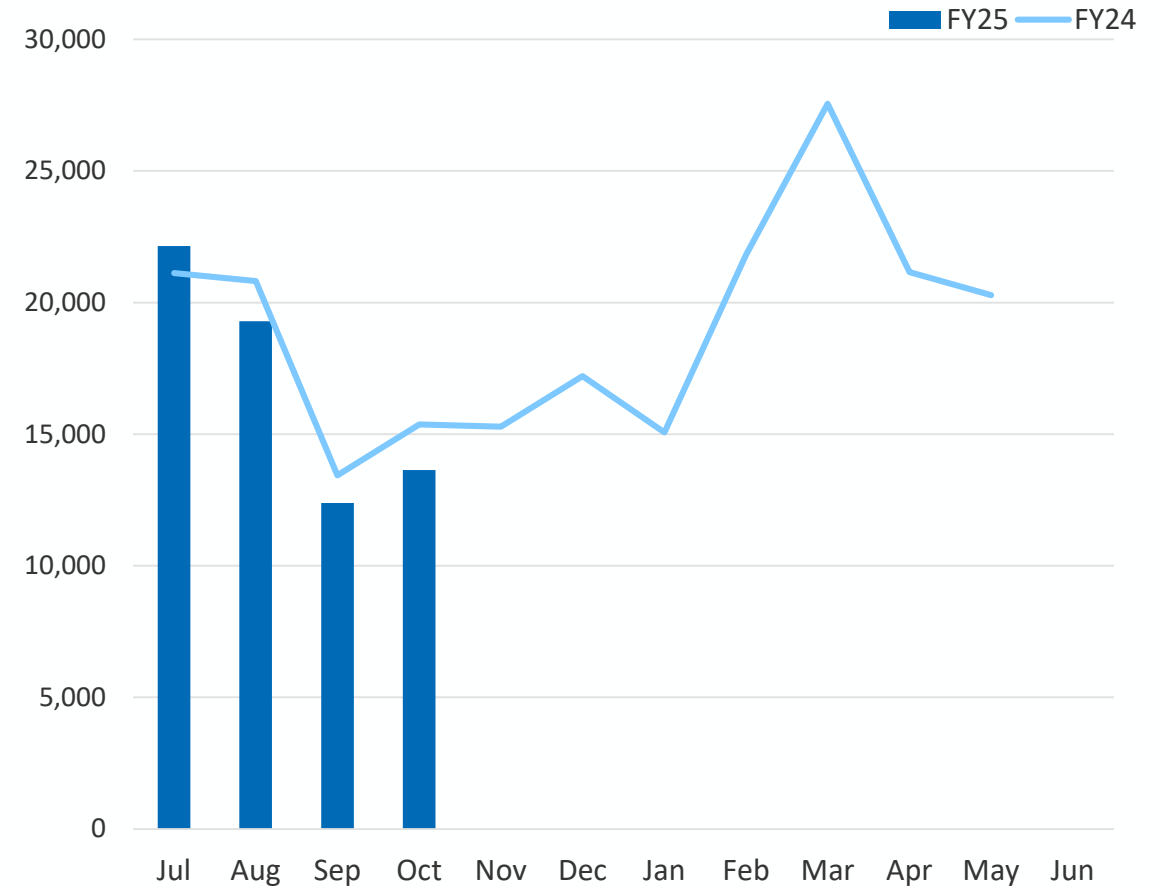
FYTD 2025

- 67,500 passengers, down 5% over FYTD 2024

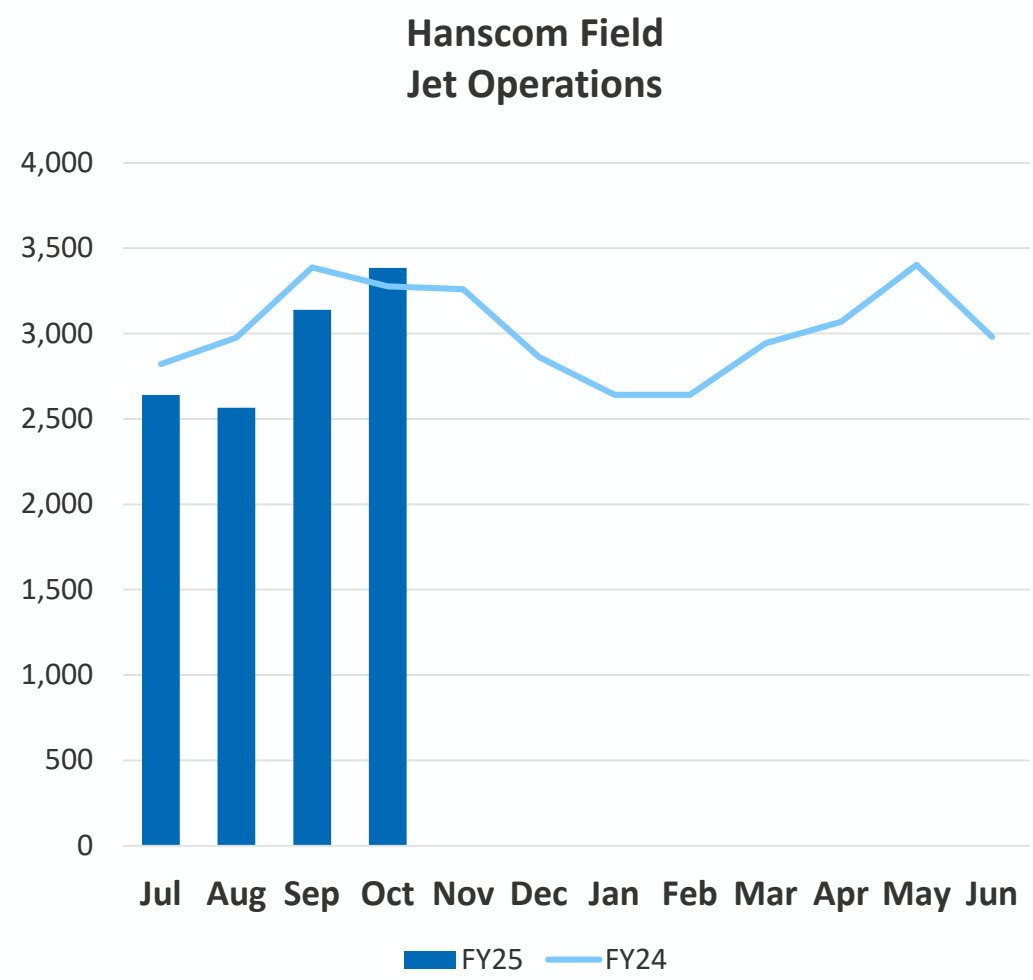
Upcoming Seasonal Service

- Nonstop JetBlue Fort Myers, FL service resumed Oct 27
 - Operates 2x/wk through mid-February
 - Increases to 7x/wk for 10 weeks starting mid-February to serve spring break demand
- JetBlue adding a second daily Orlando flight in April to accommodate spring vacation demand

Worcester Regional Airport Passengers



In October, total activity at Hanscom Field declined but jet operations were strong



Month Activity:

October 2024		
	Jets	Total
Operations	3,400	11,500
Chg vs 2023	3%	-3%
Chg vs 2019	6%	7%

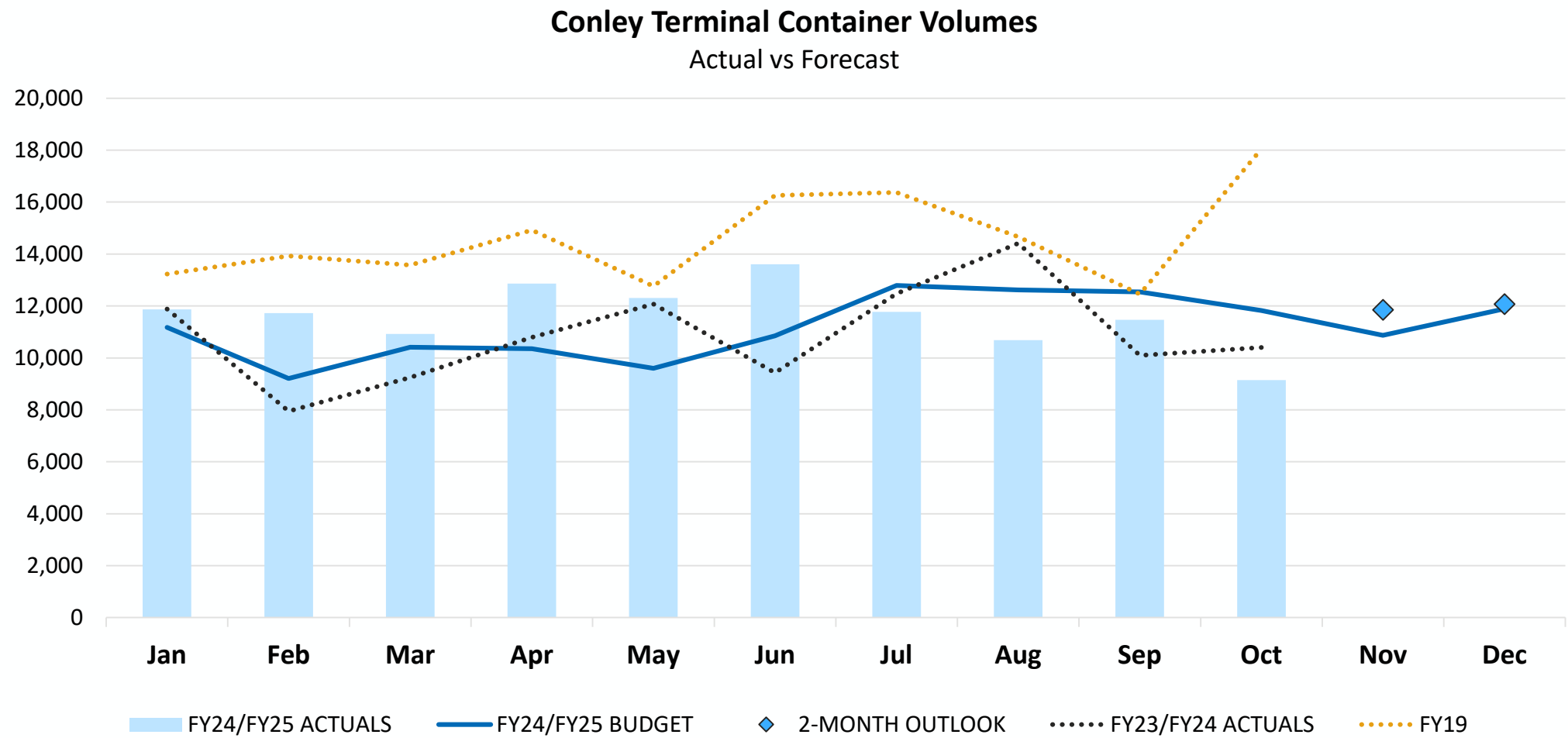
FYTD 2024 Activity:

	Jets	Total
Operations	11,700	43,400
Chg vs FY24	-6%	-3%
Chg vs FY19	18%	0.5%



Report of the Director of Maritime
Lauren Gleason

Conley Terminal handled 12 vessels in October and over 9,000 containers



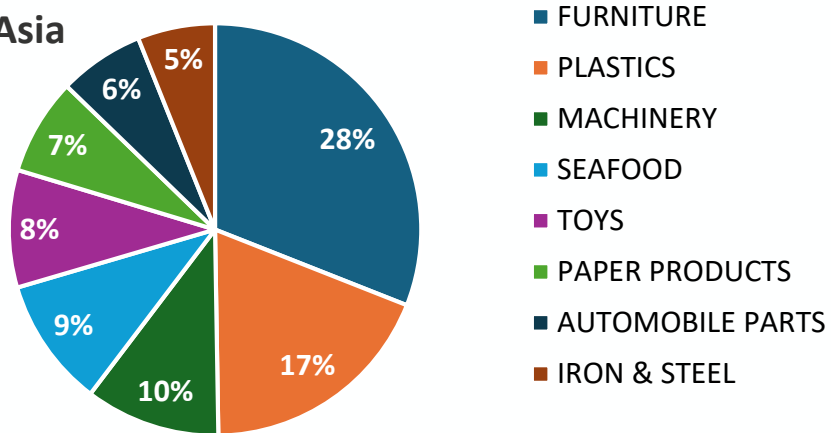
Conley's ocean carriers and shippers are expressing concern over speculation that tariffs may be enacted in early 2025



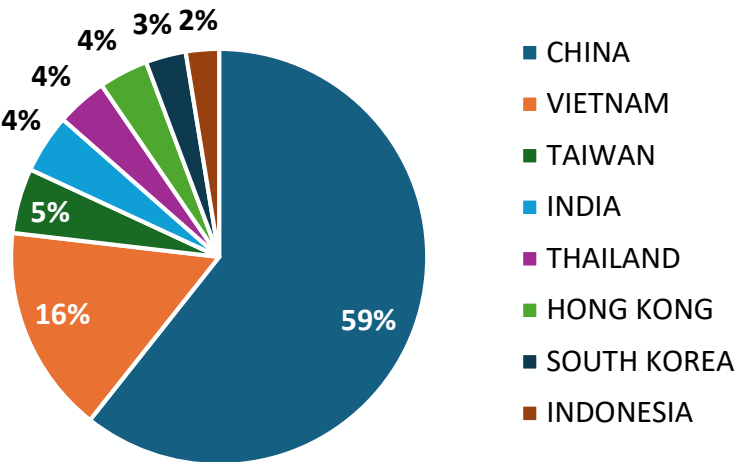
STATE OF FREIGHT
Trump tariff threats will trigger import 'rush,' say trade experts, and consumers pay the price
PUBLISHED WED, SEP 11 2024 2:11 PM EDT UPDATED WED, SEP 11 2024 4:42 PM EDT



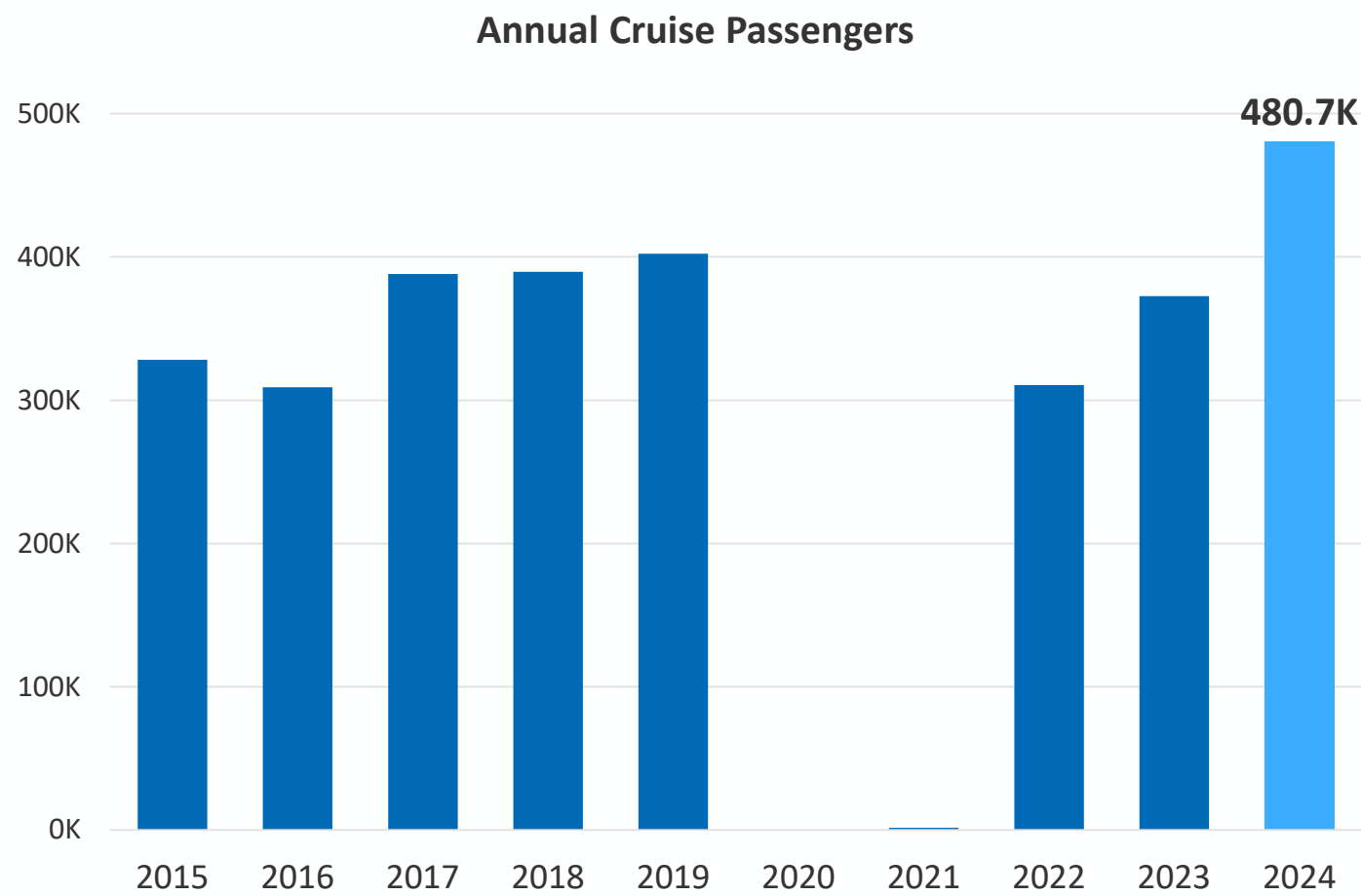
Conley Terminal Imports from Asia



Conley Terminal Top Asia Trading Countries (Imports)



Flynn Cruiseport Boston ended the 2024 season at a record-breaking 480,700 passengers and 167 vessels



2024 Season vs 2023 Season

- 29% increase in passengers
- 12% increase in vessels

2024 Cruise Ship Schedule

Months	Home Ports	Ports-of-Call	Total
March-May	11	6	17
June-August	28	23	51
Sept.-Nov.	37	62	99
Total	76	91	167



Massport will celebrate Flynn Cruiseport Boston's record year with an event on November 22

Please join
Massport CEO Richard Davey
and
Port Director Lauren Gleason
to commemorate a record-setting 2024 season
at Flynn Cruiseport Boston



RECORD-BREAKING CRUISE SEASON CELEBRATION

Friday, November 22, 2024
Flynn Cruiseport Boston
1 Black Falcon Avenue, Boston, MA

Arrive at 10:00am
Program begins at 10:30am

[Click to RSVP](#)

Shuttle buses will be provided for transportation
to and from Flynn Cruiseport Boston



Strategic Plan

Real Estate & Asset Management Department Portfolio Overview

Andrew Hargens

November 21, 2024

Massport leverages real estate assets to achieve its economic development mission

- Stimulate economic development
- Maximize revenue to support maritime mission
- Protect blue collar jobs
- Create great and inclusive waterfront places
- Make diversity, equity and inclusion a priority (Massport Model)
- Expand affordable housing



More than 400 acres on Boston Harbor, including Designated Port Area land



Charlestown

- Boston Autoport
- MA CEC Wind Technology Testing Center
- Constitution Wharf
- Constitution Marina



East Boston

- Portside at East Pier
- The Tall Ship
- Boston Harbor Shipyard & Marina



South Boston Waterfront

- Commonwealth Flats
- Massport Marine Terminal
- 88 Black Falcon
- South of Summer (Oxford/Pappas and Fargo Street parking lots)



Real estate activities support Massport's core mission centered around three priorities

- **Maximize value of Massport-owned land to support and subsidize Maritime needs**, optimizing long-term revenues and balancing commercial and maritime land uses with community input
- **Stimulate investment, economic growth, job creation** and diverse and equitable participation through development projects and other strategic partnerships
- **Create and manage inviting, inclusive and sustainable urban spaces** through high-quality and innovative architecture, active place-making/programming, leadership in sustainability/resiliency initiatives

How we advance these priorities

- Development driven by long-term vision, but responsive to shifting market conditions and emerging opportunities
- Ground leases (up to 99 years) with business partners creates sustained revenue stream
- Competitive RFPs maximize value to Massport and provide a lever to address other priorities (e.g., DE&I, open space, transit)
- Successful portfolio management requires active partnership and collaboration with tenants
- Diverse uses and amenity offerings (e.g., parks, art/culture, services) increasingly essential to enhance quality of life and support residents, employees, and visitors

REAM manages nearly 100 ground and space leases

- Team of 16 professionals with diverse real estate, urban planning, and policy expertise
- Supported by experienced consultant advisors:
 - Appraisal
 - RE Analysis/Strategy
 - Urban Planning/Design Review
 - Affordable Housing
 - Public Realm Activation
- Comprehensive asset management increasingly important as portfolio transitions to completed projects



Massport's forward-looking and collaborative urban planning, infrastructure investment, and development projects have shaped Boston's waterfront

- Master plans in early-2000s established the framework for pioneering mixed-use development in South Boston and East Boston
 - Commonwealth Flats Strategic Plan projected more than 7 million square feet of build-out, including streets, parks, utilities
 - Introduced waterfront multi-family housing in East Boston
- Massport parcel offerings have been development catalysts, driving innovation and investment (DE&I, parks/open space, transit)
- Inter-agency planning, infrastructure investments, and strategic land acquisitions have enabled and enhanced future development
- Massport supports and advocates for maritime businesses on critical issues, preserving development sites and protecting truck routes
- The Massport Model has set an impactful and emulated precedent for incorporating DE&I into the real estate development process



Massport's commercial and maritime properties drive economic activity



270

Boat slips at
2 full-service marinas



1,784

Apartments

\$54M

Local tax revenue



\$3B+

In project investment



30+

Restaurants / Bars

2,250

Hotel rooms in
4 waterfront hotels



20,000+

Daily employees,
residents, and visitors

Nearly 10 million square feet of diverse uses across our portfolio

Office:	2.5M SF
Maritime Industrial:	2.3M SF
Restaurant/Retail:	235K SF
Lab:	150K SF
Residential:	1,784 units
Hotel:	2,245 rooms



Existing portfolio is strong due to diverse use mix, long-term leases, and tenant partners; pipeline of in-progress and future projects impacted by strategic considerations

Existing

10M SF

Commonwealth Flats Mixed-Use
Boston Fish Pier
Portside at East Pier
Boston Autoport



In-Progress

5M SF

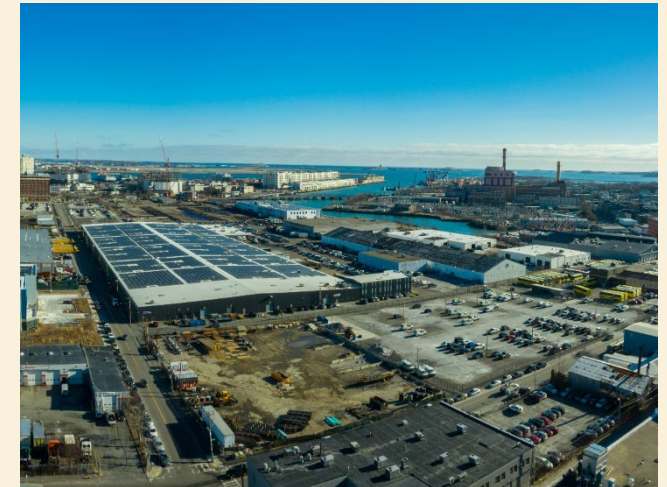
10 World Trade
Commonwealth Pier
Parcel D-4
Reserved Channel Phase 1



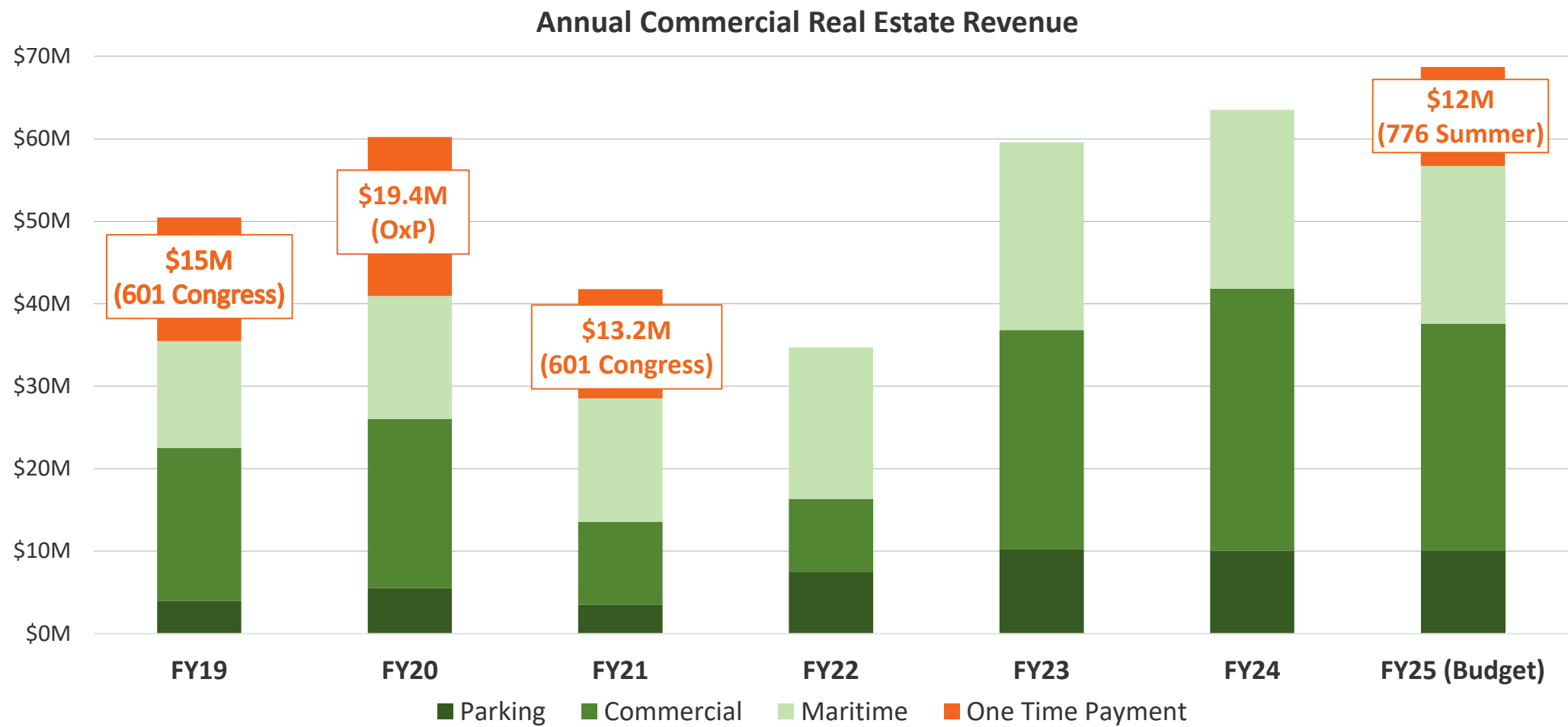
Future

4M+ SF

Boston Harbor Shipyard and Marina
Parcel D-3
South of Summer
MMT Build Out



REAM projects generate a predictable revenue stream to support the maritime agenda



Top portfolio revenue generators represent diverse use categories

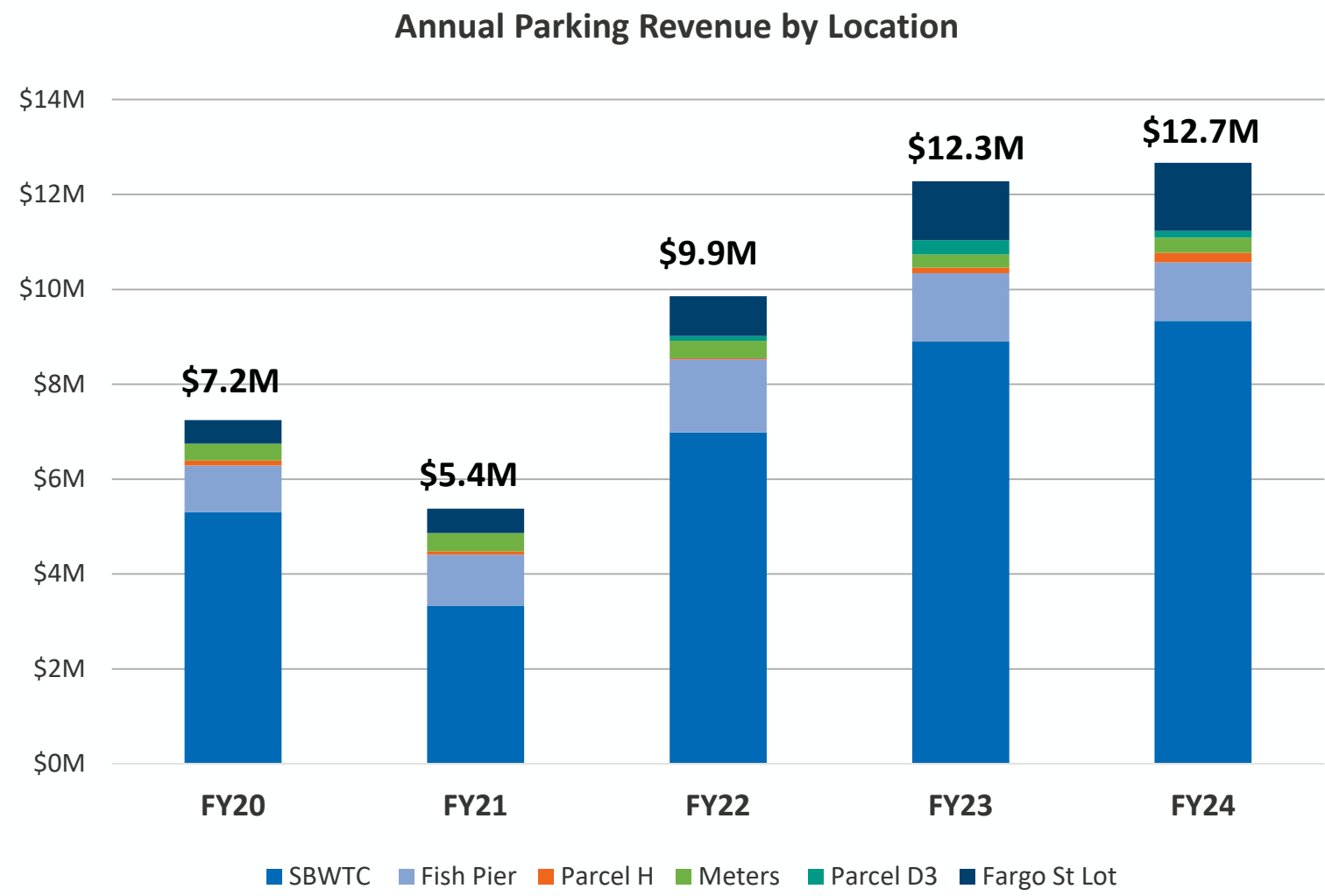
Asset	FY24 Revenue (in millions)	Category
Autoport	\$5.3	Maritime Industrial
Boston Fish Pier	\$5.1	Maritime Industrial
10 World Trade	\$4.4	Lab/Office
88 Black Falcon	\$3.9	Office/Maritime Industrial
Seaport Science Center	\$3.8	Lab/Office
Seaport West	\$3.2	Office
Seaport Hotel	\$2.4	Hotel
Commonwealth Pier	\$2.3	Office/Maritime Industrial
Transitional Short-term Uses	\$3.0	Various
SBWTC Garage	\$8.8	Parking
Fargo Street Lots	\$2.3	Parking

Subtotal

\$44.5 - 71% of FY24 Total Revenue

South Boston parking portfolio generates steady revenue and supports commercial, residential, hospitality, and maritime uses

- SP+ actively manages and markets Massport parking assets under a long-term contract
- 2,515 total spaces
 - 1,550 in SBWTC garage
 - 965 across 4 surface lots
- Transition from transient to contract parking (supporting tenant projects)
- Strategic use of Fargo St. Lot (acquired US Army) resulted in 70% increase in cruise parking revenue in 2024
- A need for affordable parking for seafood industry and other maritime industrial workers



Commercial real estate revenue is used to finance Massport’s share of the \$850M+ Conley Terminal Modernization project



Project	Completion	FY24 Revenue (in millions)
SBWTC	2018	\$8.8
Gables Seaport	2021	\$0.5
Omni Boston Hotel	2021	\$1.4
10 World Trade	2025	\$4.4
TOTAL		\$15.1

Note: Parcel D-3 and Seaport Science Center ground lease revenues are also part of the Conley financing plan.

The majority of Massport real estate assets are located in the South Boston Waterfront



Commonwealth Flats

- 70-acre mixed use district
- 7M+ SF of development
- 12,000 daily residents, employees and visitors



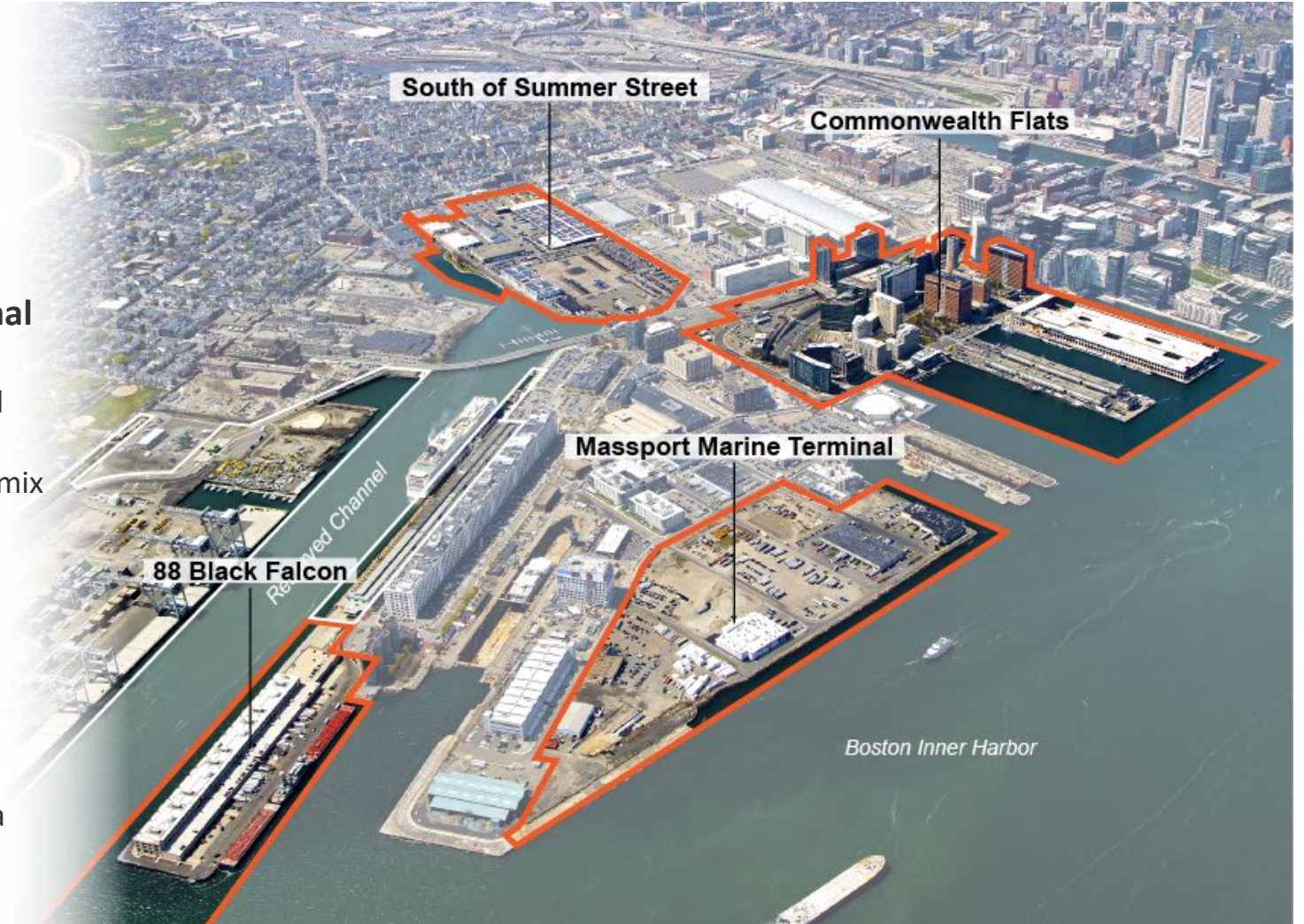
Massport Marine Terminal and 88 Black Falcon

- 40-acre maritime industrial cluster at the MMT
- Industrial and commercial mix at 88 Black Falcon



South of Summer

- Oxford/Pappas leasehold
- Fargo Chassis operation
- Primarily industrial uses
- Oxford/Pappas advancing a redevelopment plan

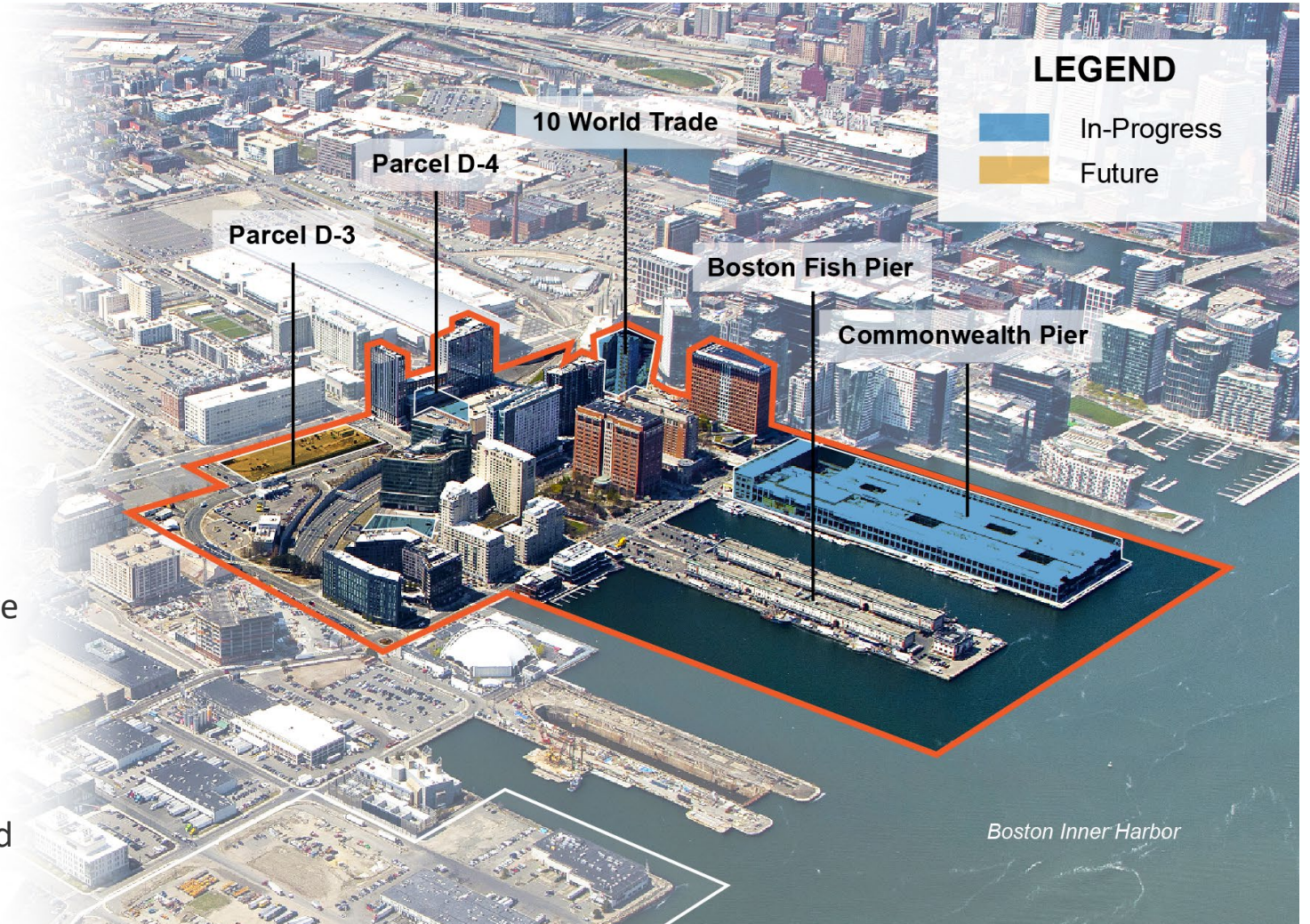


Commonwealth Flats – the core of Massport’s commercial real estate development

- 7M+ SF of mixed-use development
- Served by 2 MBTA Silver Line stations
- Parking aggregated in the SBWTC
- 1,312 residential units
- 4 hotels/2,245 rooms
- 12K daily residents, employees, and visitors

Highlights

- Multiple strong private partners
- Approaching full build-out with continued growth to south and east
- Growing importance of public realm programming/branding and amenities to serve tenants and increase value
- Office work from home uncertainty and life science market slump impacting project delivery/leasing
- Parcel D-3 is a large and valuable undeveloped asset – timing to market is important



MMT and 88 Black Falcon – evolving demand for maritime growth and innovation

Massport Marine Terminal

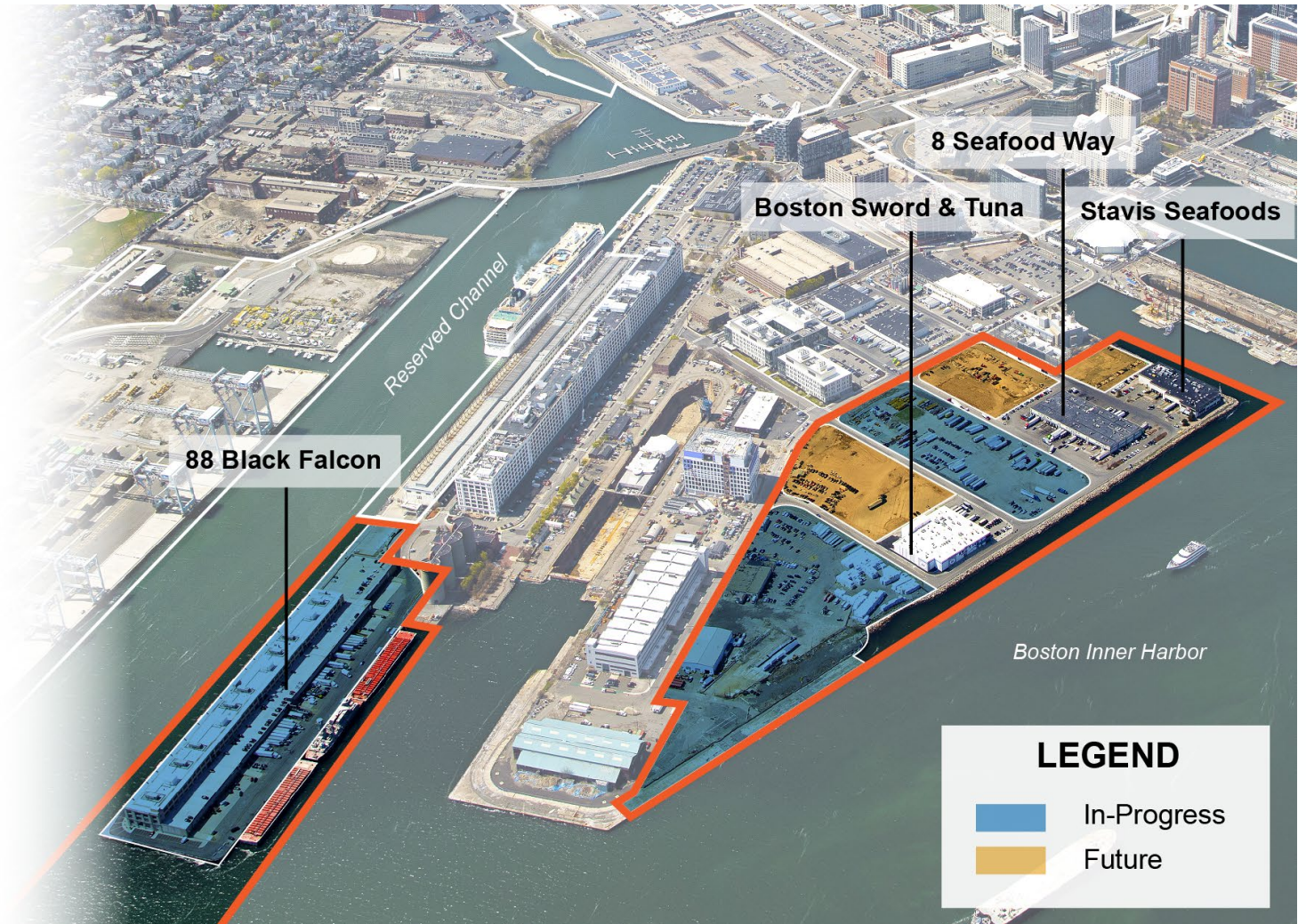
- 40-acres of maritime mixed-use
- Leased from City of Boston for 99 years
- Restricted to maritime industrial uses with supporting upper floor uses
- Over a dozen seafood businesses

88 Black Falcon

- 370K sf mixed industrial/commercial
- Supports cruise ops on 3-ship days
- Davis reassessing expansion plans

Highlights

- Reactivating the North Jetty Berth a priority to increase port competitiveness
- Demand for seafood space, difficult to execute
- Broader impact of life science slump
- Strong demand/revenue from interim uses

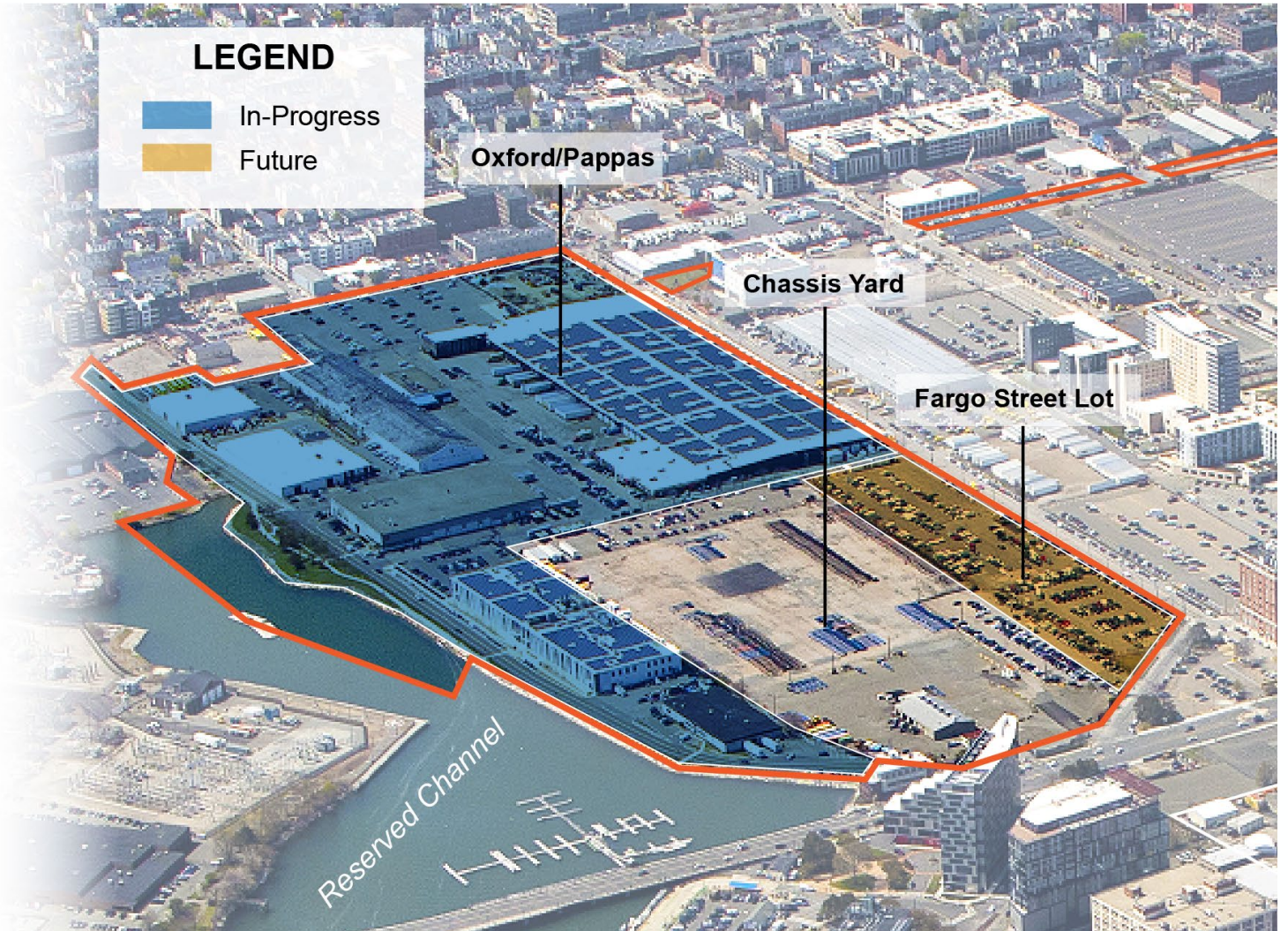


South of Summer Street – the next phase of RE development / community building

- 62 acres/primarily light industrial uses
- 38 acres leased to Oxford/Pappas
- Includes Columbia Intermodal chassis operations supporting Conley Terminal, cruise parking, and parking and laydown tenants
- Limited internal infrastructure

Highlights

- Sized for large-scale development well positioned in the neighborhood
- Oxford/Pappas Phase 1 permitting in progress
- Reserved Channel as an open space resource
- USPS relocation uncertainty
- US Army parcels (Summer Street frontage)
- Sea level rise exposure/infrastructure
- Cypher/E Street truck route as an asset



East Boston – a complementary mix of maritime industrial and waterfront public uses

- Boston Harbor Shipyard & Marina (BHSM)
- Portside at East Pier apartments
- Tall Ship at Pier One
- Piers Parks 1 and 2 (Maritime assets)

Highlights

- Portions of the BHSM are within the DPA
- Dynamic mix of maritime industrial activities, with supporting businesses and public uses at Boston Harbor Shipyard & Marina
- Investment Plan progressing with community
- Tall Ship, ICA Watershed complement Piers Parks as public amenities
- Extensive structural investment needed at Pier 1 to support development
- Sea level rise exposure/investment



Charlestown – coordination with long-term tenants for future opportunities

Autoport

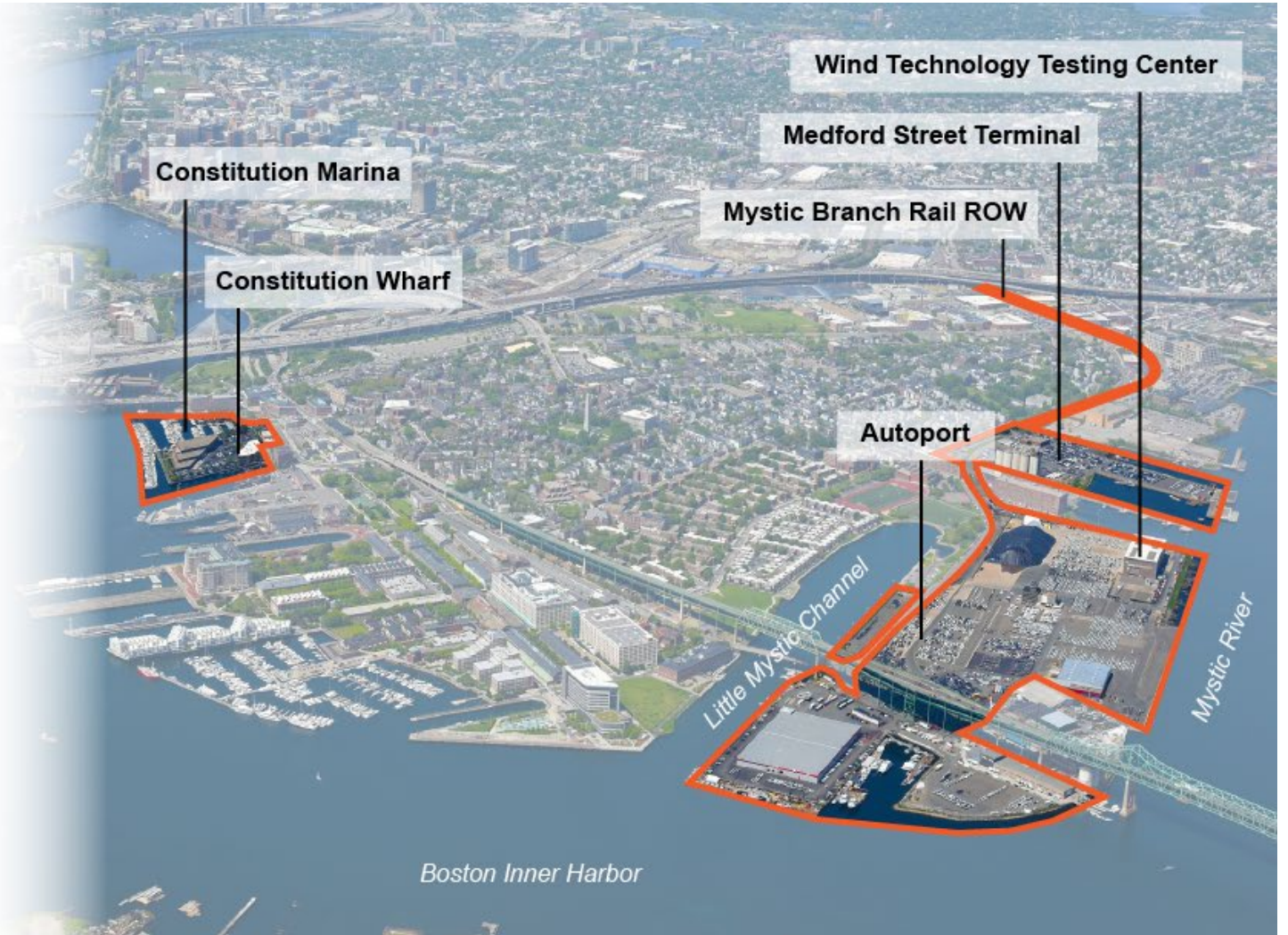
- 87-acre auto import facility
- Complementary mix of maritime industrial uses
- MassCEC Wind Technology Testing Center

Constitution Wharf and Constitution Marina

- 179K office building
- 275-slip marina

Highlights

- Established long-term tenants
- Continued infrastructure investments
- Potential for expanded cargo, blue economy and other complementary uses
- Mystic Wharf Branch Rail right-of-way
- Freight access in evolving neighborhood
- Resiliency challenges at large scale



Portfolio grounded by balanced use mix with flexibility to pivot

STRENGTHS

Diverse Portfolio

- Mixed rent streams (fixed, percentage, transaction)
- Hospitality sector and event rebound
- Strong parking demand and creative marketing
- Strong short-term interim demand

Great Projects/Strong Partners

- Commonwealth Pier/Fidelity
- 10 World Trade/BGI/Hynes
- Seaport Science Center (BioMed Realty)
- 4 South Boston Waterfront hotels

Portfolio Activation/Public Realm

- The Tall Ship
- Summer 2024 weekly Fish and Farm Market
- ICA Watershed – six successful seasons
- World Trade Center Avenue

Experienced and Committed Team

CHALLENGES

Lab Market Slump

- Seaport Science Center
- 10 World Trade
- 88 Black Falcon
- Seaport Circle
- MMT Parcels 5C and 6B

Office Remote Work Uncertainty

Interest Rates/Project Costs

- MMT Parcel 5A
- Piers Park 3
- North Jetty Berth Revitalization

External Coordination

- Oxford/Pappas planning and permitting
- Lack of recognition of maritime priorities

Active engagements and near-term priorities

- Support tenants with projects in the marketplace by promoting amenities, neighborhood, Massport as engaged / responsive landlord
- Collaborate with tenants to advance issues of common interest (e.g., transportation, sustainability/resiliency, public realm, marketing)
- Revitalize the North Jetty Berth to create a modern multi-purpose cargo terminal to increase the competitiveness of the Port of Boston
- Champion the South Boston Seafood Industry Cluster (Fish Pier and MMT tenants) by supporting modern facilities, protecting truck routes, creating new markets, and raising awareness
- Grow and promote district-scale public realm activations in partnership with tenants as key Commonwealth Pier and 10 World Trade projects come on-line in 2025/2026
- Support Maritime in meeting its operational needs for container and cruise (e.g., cruise parking, provision screening, chassis operation)



Looking ahead – topics for strategic consideration

- Refresh land use vision based on today's market conditions, opportunities, and needs
- Optimize land uses and value generation on assets along and south of Summer Street, considering strategic land acquisitions
- Define and advocate for transportation projects to improve access across all modes, serving commercial and maritime needs
- Update asset management / capital investment / resiliency planning for the Fish Pier
- Evaluate long-term use options for Pier 1 in East Boston given structural condition, community interests, etc.
- Demonstrate leadership in resiliency by advancing key projects: Seaport Boulevard, Lewis Street / Piers Park Lane
- Explore new development and construction trends that may impact existing assets and future development projects (e.g. energy source/distribution, construction materials/approach, transportation, financing)
- Explore and define Massport's role as a "blue economy" leader in Boston Harbor

Priority strategic plan consideration: Blue Economy

- Following a national/international trend, ports regionally are embracing their role as natural hubs for water-dependent businesses in “blue economy” clusters
- REAM’s portfolio includes dozens of tenants and subtenants doing exciting work in seafood, autonomous vessels, offshore wind, and other evolving sectors
- Emerging technologies benefit from direct access to the ocean and close proximity to knowledge centers, which point to Boston Harbor and Massport
- REAM actively engaging industry experts to understand gaps in Boston’s blue economy and pursue partnership opportunities
- Businesses specializing in undersea drones and robots, ocean sensors, clean energy, and aquaculture drive millions of dollars in venture capital investment and job creation in New England



polkadogbakery



Safety and Security

Logan Airport Active Shooter Training Exercise Recap

Hank Shaw

November 21, 2024

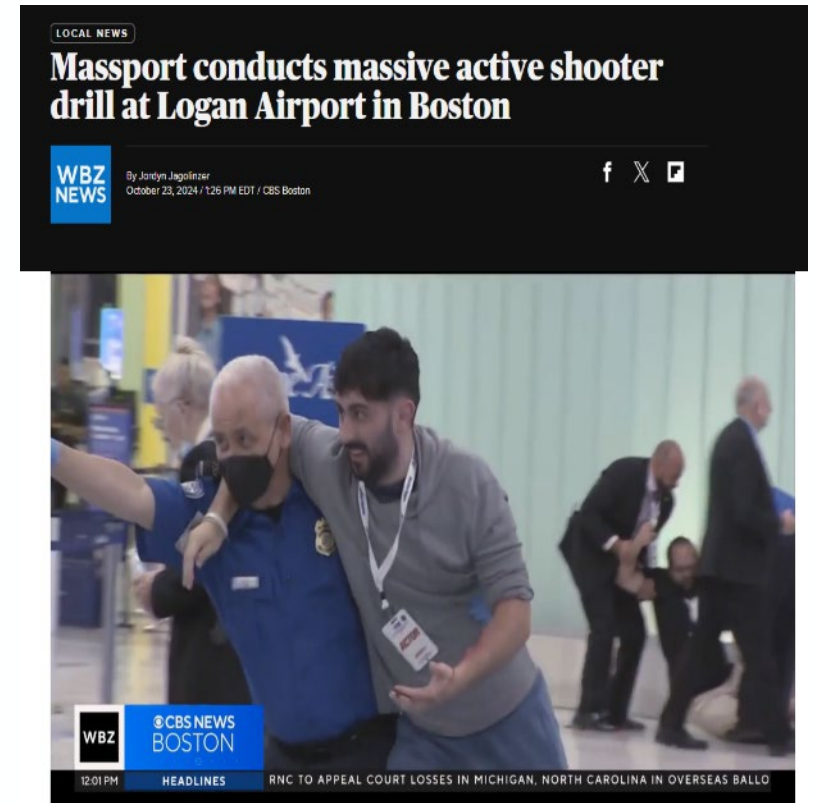
Boston Logan successfully confronted the challenges of an active shooter response exercise

Overview

- Approximately 1,100 participants - largest training exercise in Massport's history
- Exercised and tested the Logan Airport Active Shooter/Hostile Event response plan in Terminal C during the overnight hours on Oct. 22-23
- Over 18 months of preparation by a multi-agency team including planning seminars, drills, and tabletop exercises
- Incorporated lessons learned from previous mass shootings in the U.S. and integrated new Commonwealth of Massachusetts training standards
- Supported by JetBlue who also tested their internal incident response protocols
- A realistic terminal environment was established using role players from the Massachusetts Maritime Academy, Endicott College, Fischer College, the Mass State Police Cadet Program, the Municipal Police Training Academy, local CERT Teams and Medical Reserve Corps and numerous Massport departments

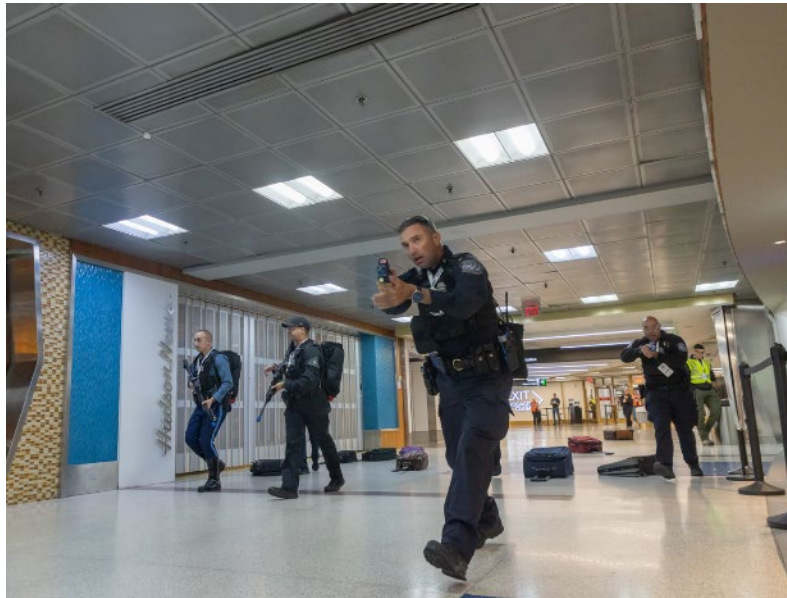
Four Critical Components

1. *Stop the Killing*
2. *Stop the Dying*
3. *Rapid Casualty Evacuation*
4. *Command and Control of the Crisis Response*



Every effort was made to stop the attack and prevent any additional victims

- Due to actionable intelligence of active gunfire and wounded persons confronted – driving force existed – requiring first responders to push into the terminal and attempt to stop the attack as quickly as possible
- It was imperative that officers not allow for tactical concerns to delay their response to the threat



Responding law enforcement and “zero responders” actively provided medical attention to the critically injured

- Focus was to close the gap between the tactical response and life-saving medical intervention
- Goals of Tactical Emergency Casualty Care
 1. Prevent further casualties
 2. Treat the wounded
 3. Continue the mission



Integrating law enforcement, fire, and EMS as Rescue Task Forces, security was established to swiftly evacuate victims

- Established casualty collection points, performed continuous triage and prioritized victims for transportation to hospitals
- Provided the injured with the level of care needed as quickly as possible



Next steps – the work continues

- Additional exercises will address crime scene management, witness interviews, victim services, and resumption of normal operation
- On November 14, we conducted a Restoration and Recovery Tabletop Exercise to work through these challenges
- Team is preparing post exercise evaluations/assessments and a training video to capture lessons learned



Real Estate and Strategic Initiatives

Parcel D-4 Development Project

Andrew Hargens

November 21, 2024

Parcel D-4 will be the first all-affordable housing project in the South Boston Waterfront

Massport designated the Seaport Community Partners (SCP) team in September 2022

Program

- Approximately 200 affordable rental units
- Serving 30% to 80% of Area Median Income (AMI)
- Majority 2- and 3-bedroom units
- 1st floor space for the South Boston Neighborhood House and resident services
- Transit-oriented development with nearby MBTA Silver Line
- Parking in adjacent Massport South Boston Waterfront Transportation Center (SBWTC)



Progress Made Since Designation

- Staff and SCP have made significant progress:
 - SCP has met with the City and State housing leaders regarding funding
 - Development Agreement is ready to be executed
 - Term Sheet has been negotiated
 - Letter of Intent signed with the South Boston Neighborhood House (SBNH)
- Today's vote is to authorize staff to execute the Development Agreement and negotiate and execute the Ground Lease on terms consistent with the Term Sheet



Term Sheet protects Massport while supporting the project's ability to be financed

- 99-year lease term
- Outside closing date: December 31, 2029
- Permitted use: Approximately 200 income-restricted units and supporting amenities
- Transaction Rent: 2% of net sale proceeds at first sale; 4% at subsequent sale or refinancing
- Massport's Development Design Review Process will govern design review
- DEI Plan is consistent with proposal submission
- Developer to pay 50% of District Service Fee
- Developer to reimburse 50% of Massport's third-party legal expenses incurred during Development Agreement and Ground Lease negotiation
- A maximum of 70 parking spaces in the adjacent SWBTC at 50% of market rate
- \$50,000 development deposit

Development is entering the design and permitting phases

- Project costs estimated to be high due to the high unit count, urban high-rise construction, and labor costs
- SCP is aggressively looking to reduce project costs, while preserving the unit count and program, through value engineering with their General Contractor
- Refining conceptual design, including unit mix and floor layout
- Evaluating the use of cross-laminated timber
- Refining unit mix and floor layout
- Concurrent with project design and permitting, the SCP team will continue to advance and refine the project's financing approach with City and State officials

The Project will require strong political support throughout the funding process

- Q4 2024

Develop/refine project funding strategy with input from City and State

- Q4 2024

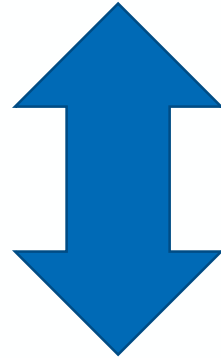
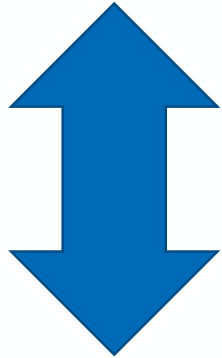
Community/public outreach begins

- Q2 2025

Article 80 process begins

- Q3 2025

Multiple City and State funding applications



- Q2 2028

Multiple City and State funding awards/allocations

- Q2 2028

Construction start

- Q3 2030

Project opening

Facilities and Construction

Terminal E Program (L1581, L1811, L1821, L1822)

Luciana Burdi

November 21, 2024

Terminal E Program consists of several projects designed to improve operational functions and enhance the passenger experience

BACKGROUND

- Pre-COVID: Terminal E Modernization Project
 - Phase 1 – Construct 4 gates and renovate existing terminal
 - Phase 2 – Construct 3 gates and a connection to Airport Station
- Due to financial impacts during COVID, **Phase 1** was scaled back (*project completed 2023*)
- The **Terminal E Program** restores project elements that were eliminated during COVID and adds new scope to accommodate existing and anticipated passenger growth

WHY ARE WE DOING THIS PROJECT?

- Improve Operational & Functional Capabilities
- Meet Acceptable Levels of Service
- Improve Customer Service
- Improve Passenger Experience



Crowded conditions at CBP Primary



Inadequate capacity at outbound make up



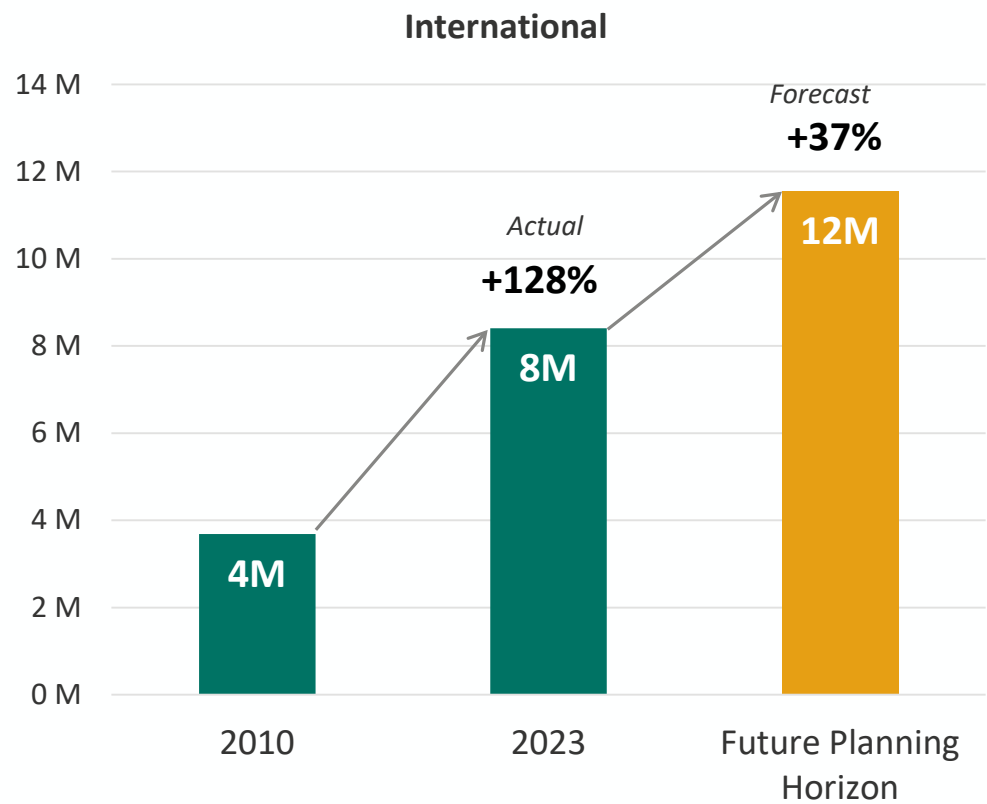
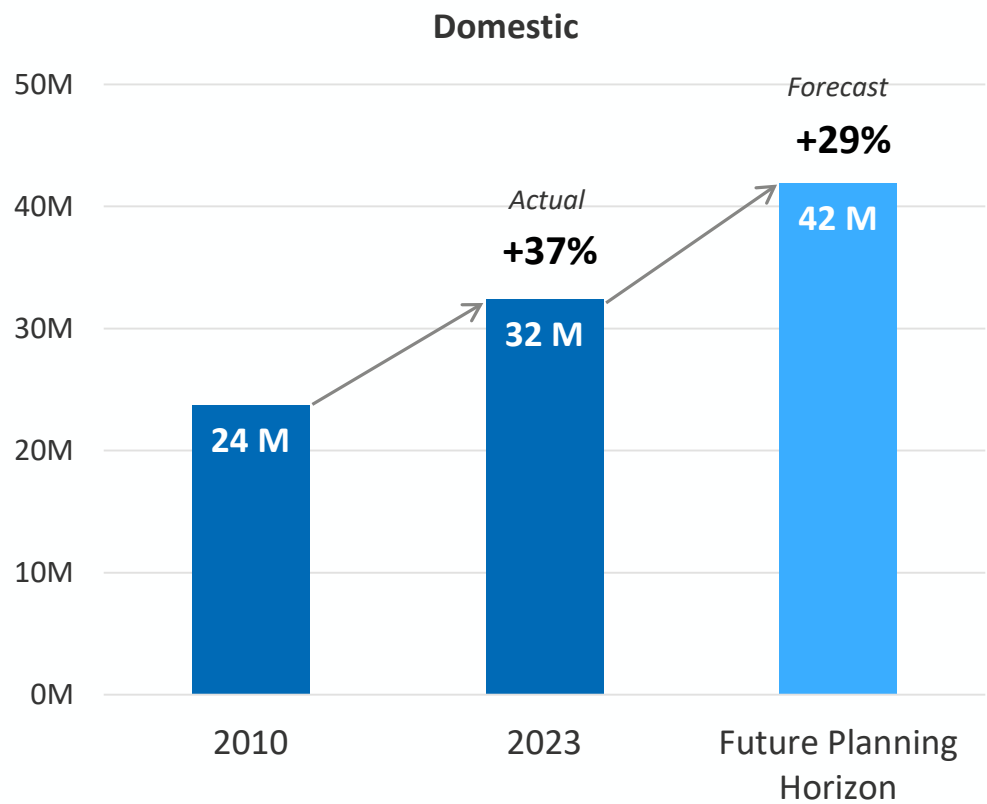
Long walking distances at CBP corridor



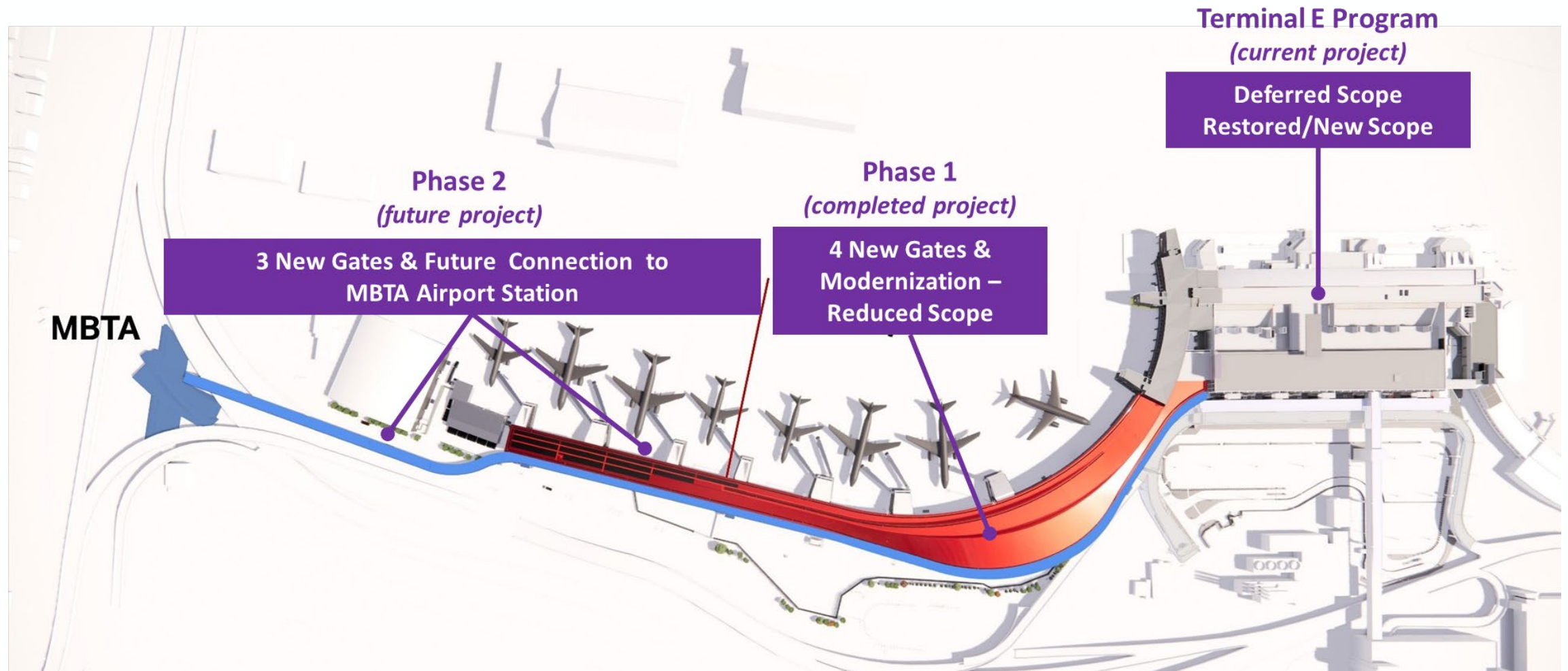
Inadequate capacity at bag claim

Logan's international passenger volume has more than doubled since 2010 and is forecast to continue growing faster than domestic passengers

Logan Airport Passengers: Domestic vs International
Actual and Forecast



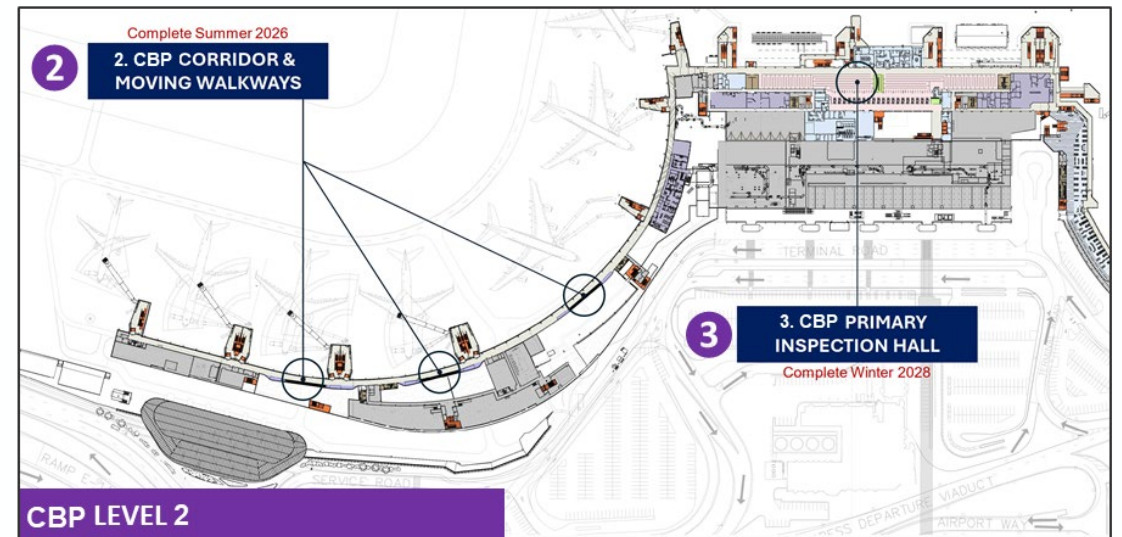
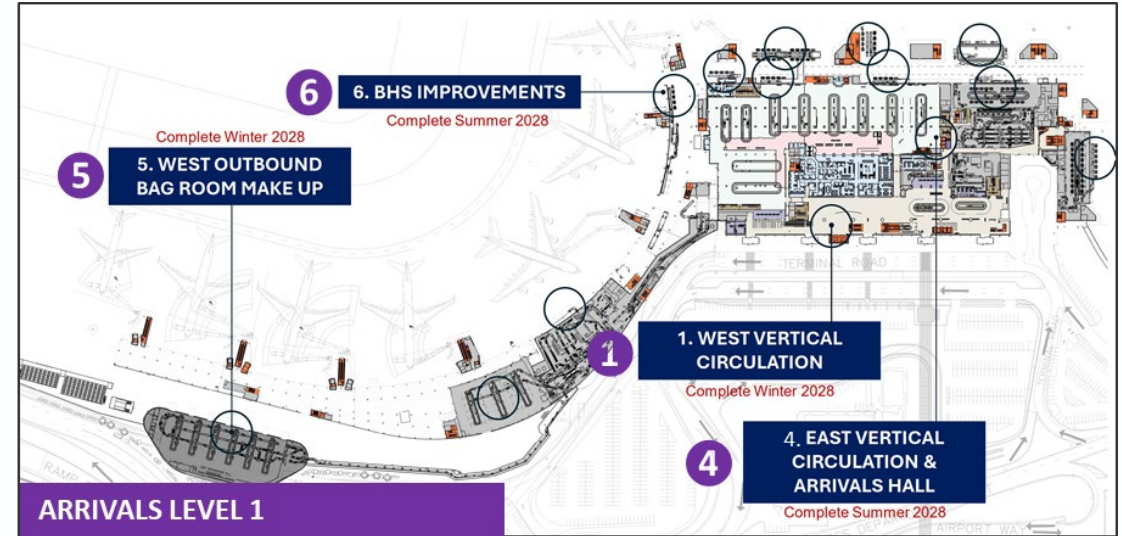
The current Terminal E Program is focused on improvements to the original Terminal E building



Terminal E Program projects will improve core passenger and baggage processing functions and improve the passenger experience

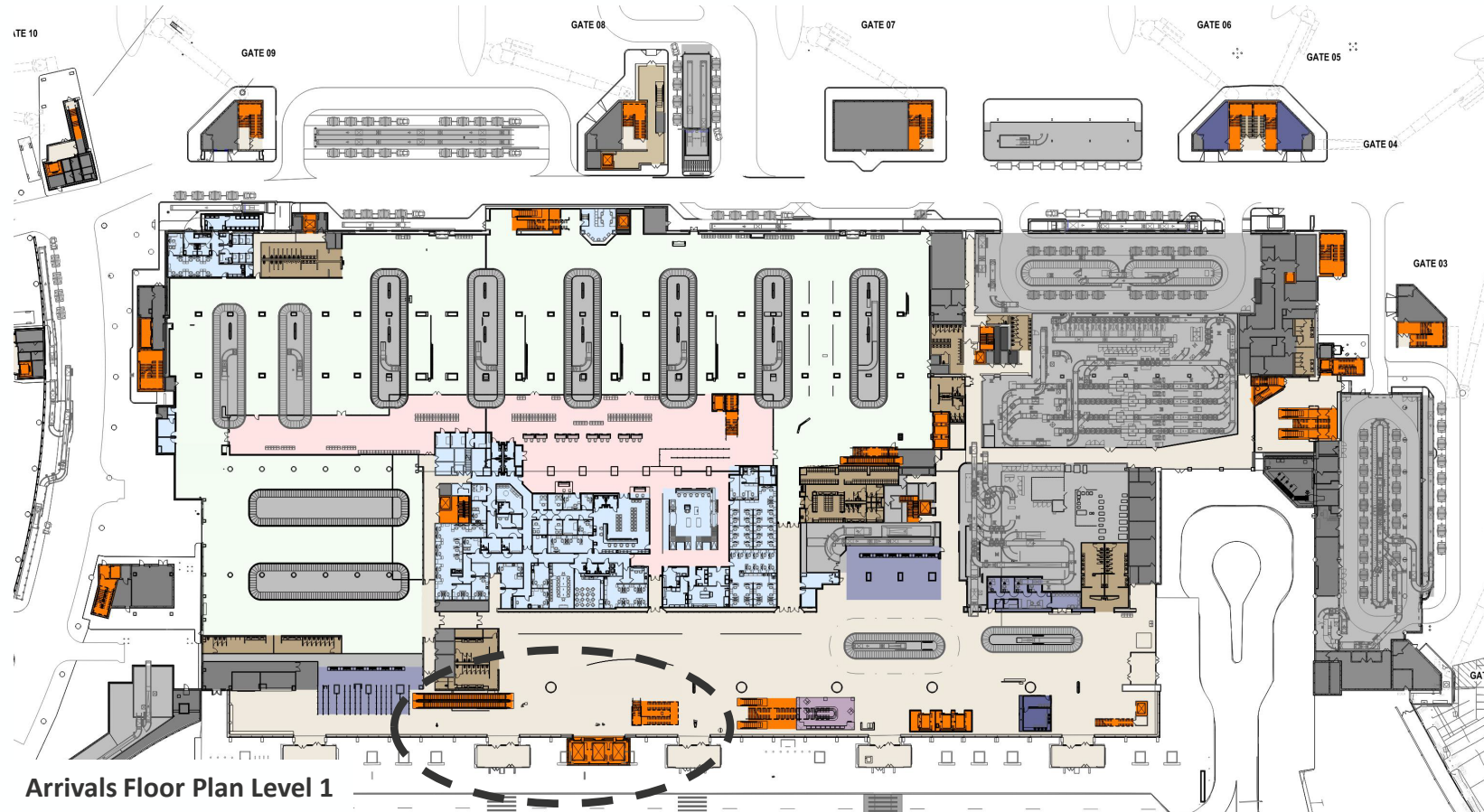
MAJOR IMPROVEMENT PROJECTS

1. West Vertical Circulation – ***New Scope***
2. CBP Corridor | Moving Walkways – ***Restored Scope***
3. CBP Primary Inspection Hall – ***Restored Scope***
4. CBP Vertical Circulation | Arrivals Hall – ***Restored Scope***
5. West Bag Make Up Room – ***New Scope***
6. Baggage Handling System (BHS) Enhancements – ***Restored Scope***



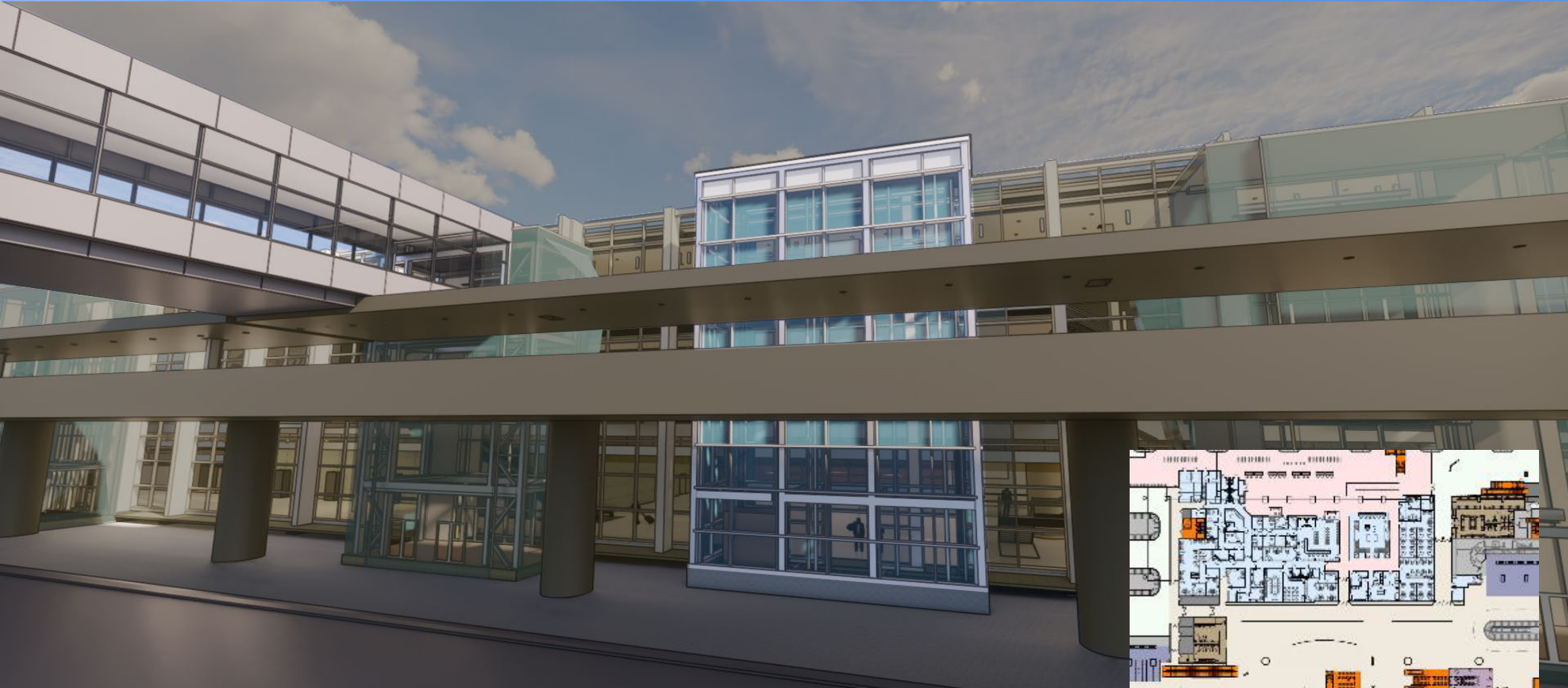
The West Vertical Circulation will improve passenger flow and provide access to the future parking garage

1. WEST VERTICAL CIRCULATION

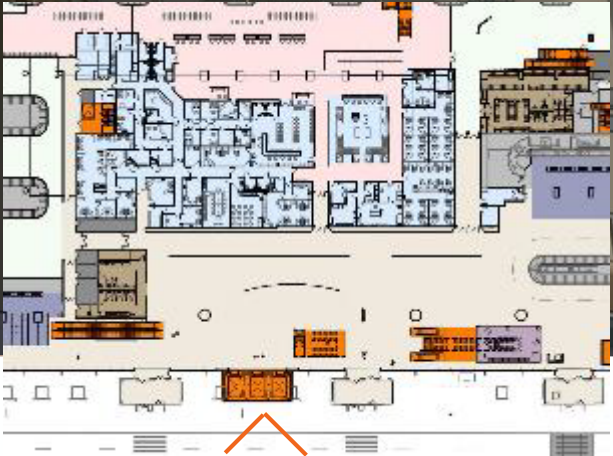


COMPLETE
WINTER
2028

Exterior View



Arrivals Floor Plan Level 1

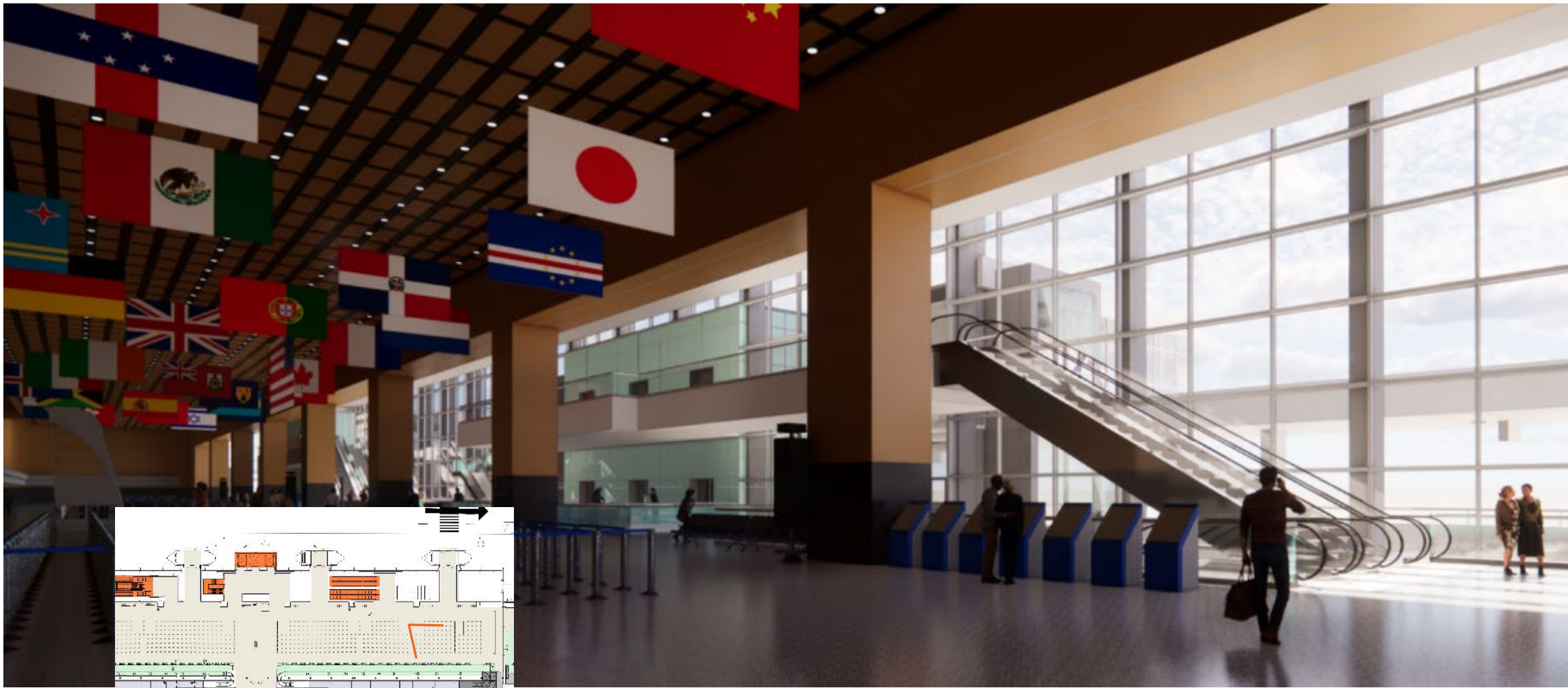


View from CBP Exit



Arrivals Floor Plan Level 1

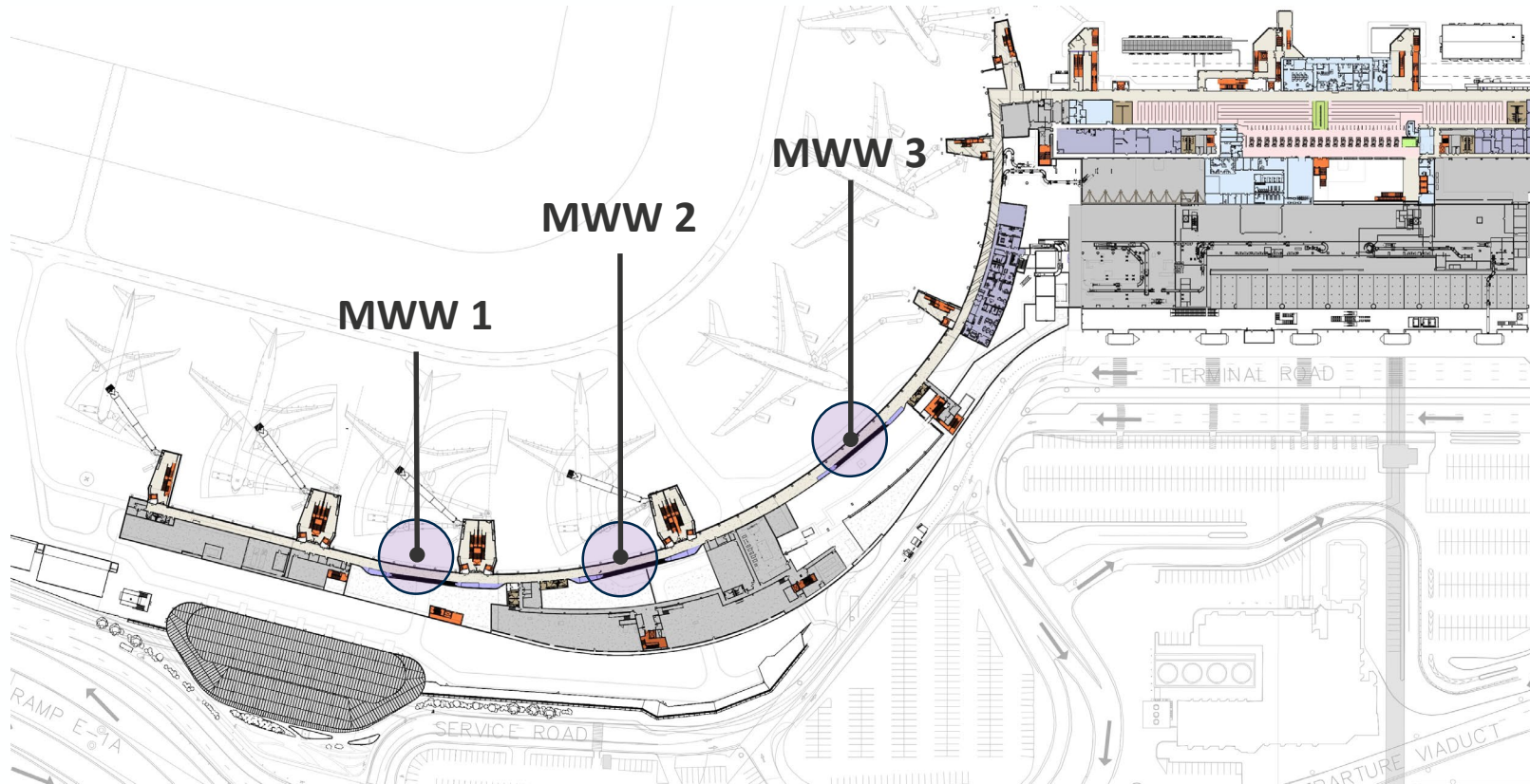
View Looking West at Ticketing Level



Departures Floor Plan Level 3

The CBP Corridor will be improved by installing moving walkways and themed supergraphics on the walls

2. CBP CORRIDOR MOVING WALKWAYS



**COMPLETE
SUMMER
2026**

CBP Corridor Floor Plan | Level 2

View of Moving Walkways Looking East



CBP Corridor Floor Plan | Level 2



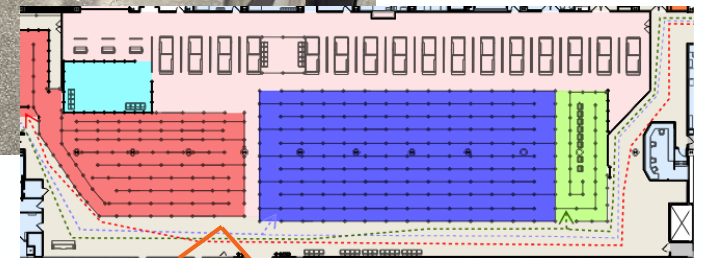
The CBP Primary Inspection Hall will be reconfigured with additional queue space, more restrooms and additional inspection booths to increase capacity

3. CBP PRIMARY INSPECTION HALL

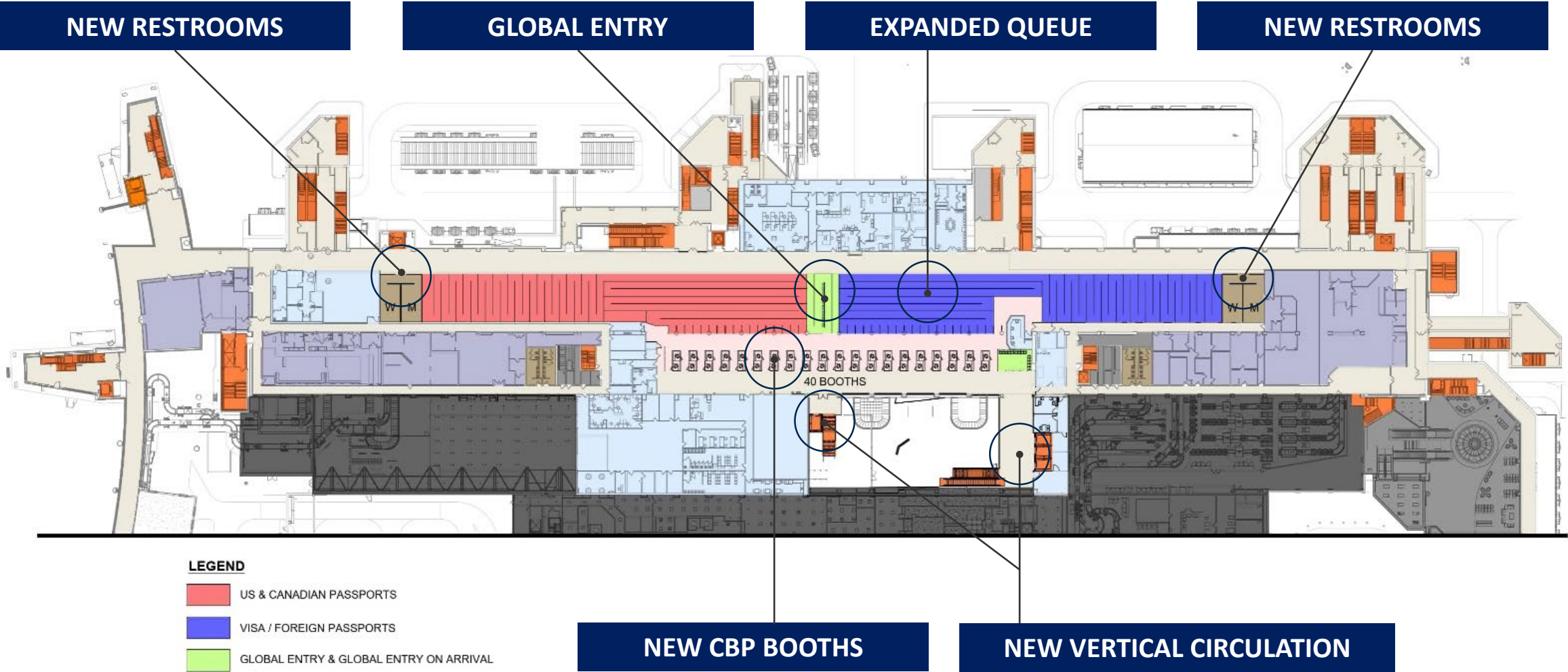


COMPLETE
WINTER
2028

CBP Primary Inspection Hall | Level 2



CBP Primary Inspection Hall



New passenger vertical circulation from Level 2 of the Primary Inspections Arrival Hall down to the Level 1 Baggage Claim Hall will increase capacity

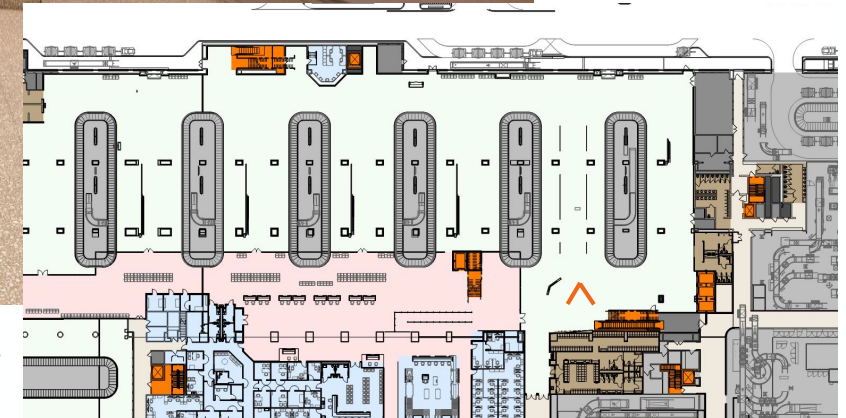
4. CBP EAST VERTICAL CIRCULATION & ARRIVALS HALL



COMPLETE
SUMMER
2028

CBP Primary Inspection Hall | Level 2

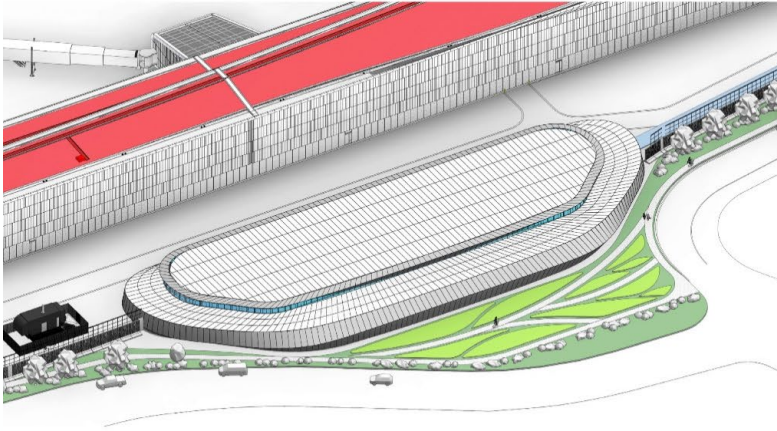
View CBP Baggage Claim Hall Between Claims 1 and 2



Arrivals Floor Plan Level 1

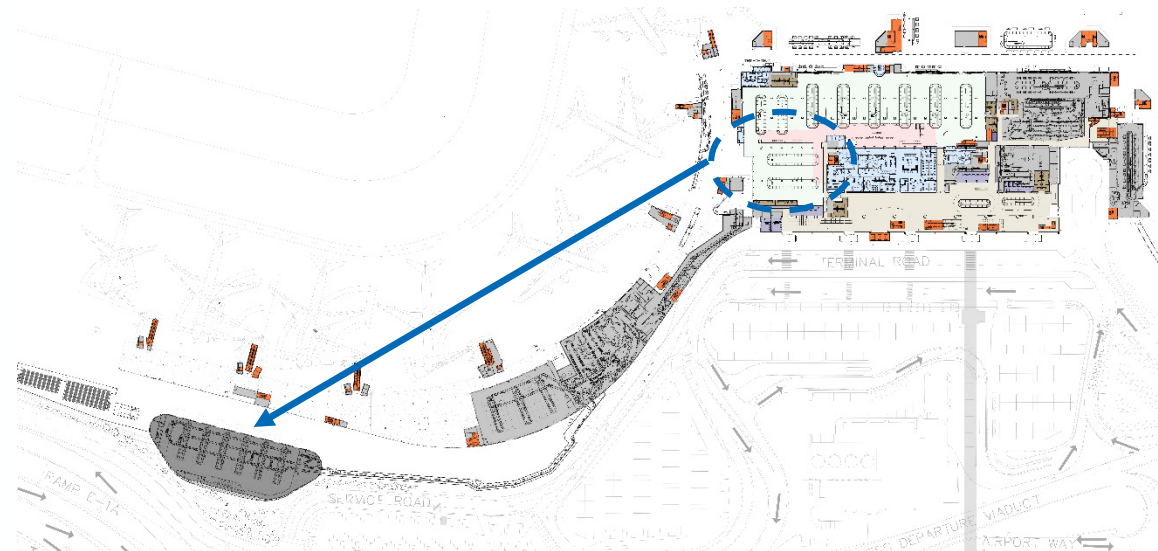
The new West Outbound Bag Room corrects bag make up deficiencies and creates space for new Claims 9 and 10

5. NEW WEST OUTBOUND BAG MAKE UP ROOM



- Design responds to **highly visible** location
- Provides **10,000 SF pocket park**
- **40,000 SF solar panels** on roof
- **10,000 SF solar panels** on façade
- **600,000 kWh** estimated yearly production - enough to power 50 houses annually
- Reduces **carbon footprint and air emissions**

**COMPLETE
WINTER
2028**



The BHS Enhancements will replace the end-of-life baggage handling equipment and improve operational efficiencies

6. BHS ENHANCEMENTS



Existing Airside Baggage Makeup



COMPLETE
SUMMER
2028

Board Recommendation:

Approve a revised partial project budget for projects L1581, L1811, L1821, and L1822 of the Terminal E Program in the not-to-exceed amount of \$255 million

Logan Airport North Service Area Optimization Project Update

Flavio Leo and Daniel Gallagher

November 21, 2024

The North Service Area (NSA) requires new, updated facilities and a better layout to reduce inefficiencies and environmental impacts

Why do we need to optimize the NSA?

- Existing buildings are 40-60 years old and are inefficiently placed
- Critical operational functions are conducted within buildings that do not meet the requirements of modern maintenance and storage practices
- Land use is congested and inefficient resulting in excessive vehicle trips and unnecessary screening at the North Gate
- Ramp for GA aircraft parking is in need of consolidation

Investing in and optimizing the NSA will:

- Provide modern, efficient and sustainable infrastructure while reducing total building SF
- Reduce environmental impacts, improve resiliency, and meet net zero goals
- Remove trucks from public roads, reducing truck trips and congestion at the North Gate, enhancing security and reducing emissions
- Begin the process of transitioning to a new, zero-emissions bus fleet for Logan Airport
- Consolidate GA aircraft parking ramp for a more efficient operation

The NSA houses critical airport functions that ensure safe and efficient airport operations consistent with FAA safety standards and aircraft parking

Critical Functions in the NSA

- Massport facilities including Maintenance Dept., Electrical Dept., Sign Shop, Central Stock Room, Structural Dept., salt and sand sheds, Wildlife Management, and fueling
- Airfield equipment storage and staging
- Airfield/Airport crew offices, workshops, bunk buildings for snow crews
- Aircraft parking
- Flight kitchens
- Bus storage, cleaning, and light maintenance
- Airline ground support equipment



Existing facility buildings are in need of replacement and consolidation



Hangar 5



Facilities 3



Facilities 2



Bunk Trailers



Central Stock Room



Building 15 – Large Vehicle Storage

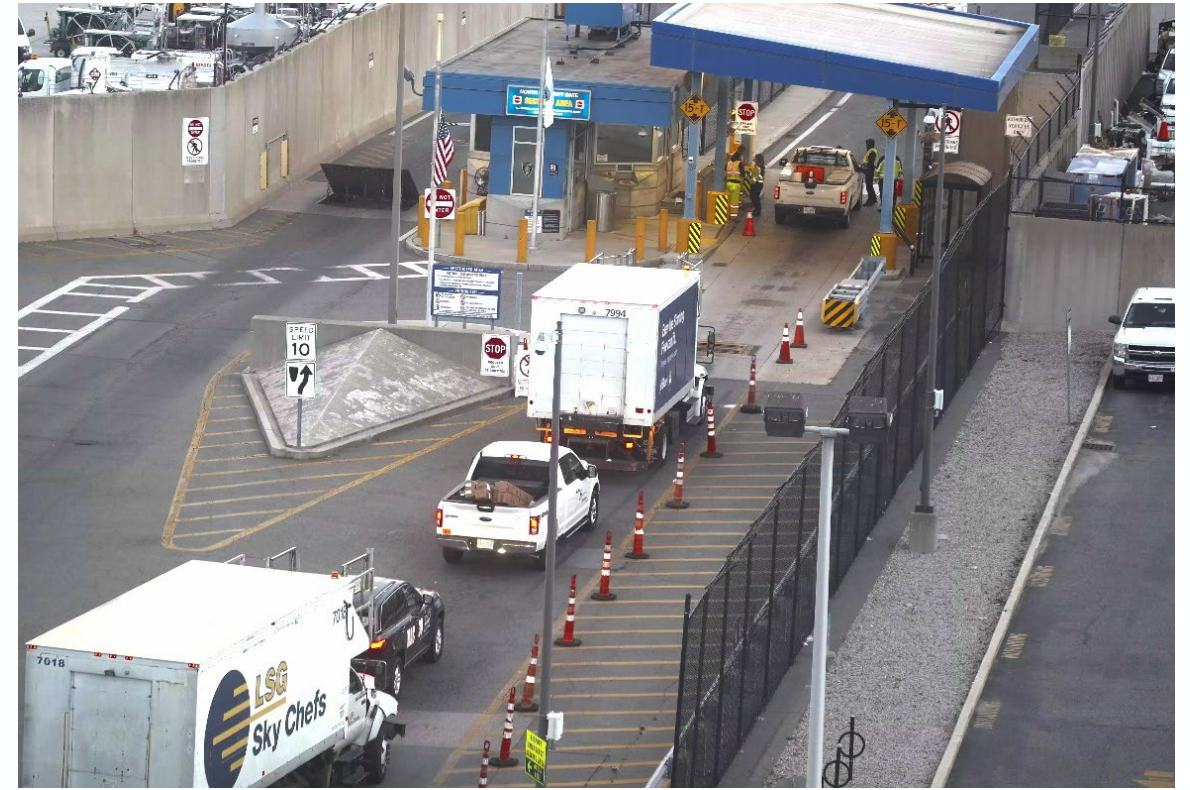
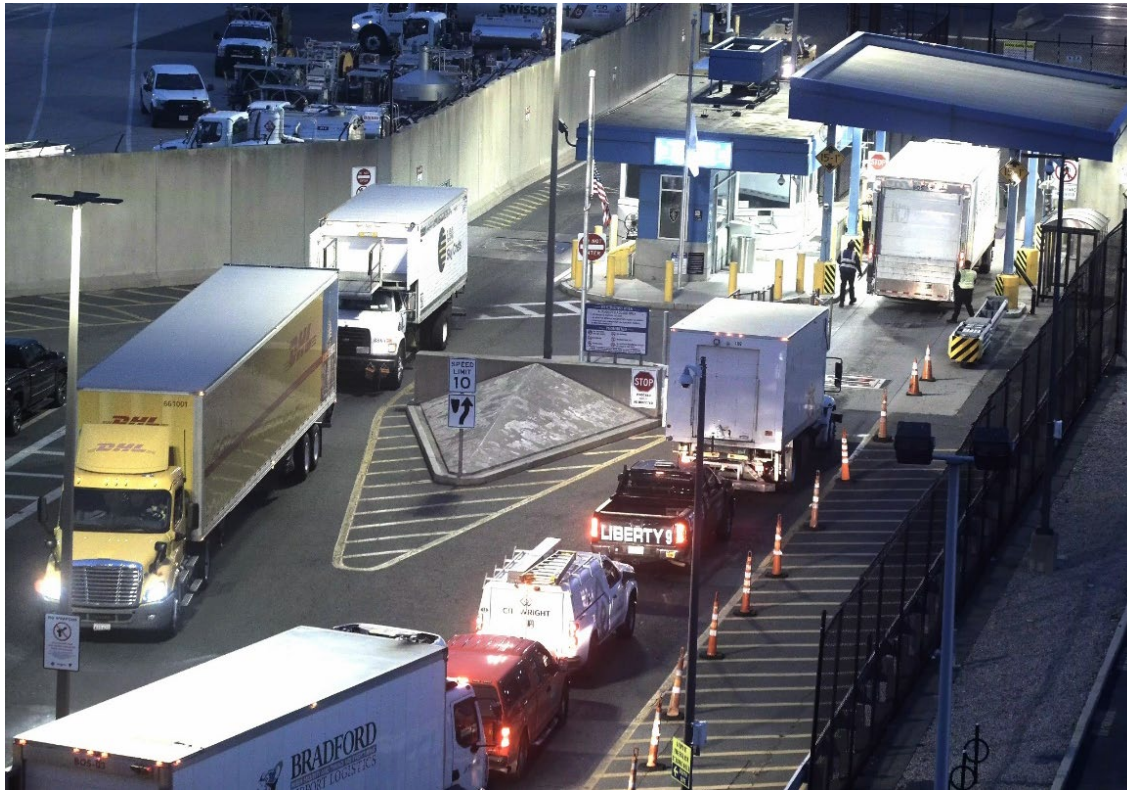


Salt Shed



Wildlife Management

Flight kitchen trucks travel on public roads and add to North Gate congestion



Current GA aircraft parking is in need of consolidation



Aerial perspective: Hangar 5 with GA aircraft parking



GA aircraft at ramp by Hangar 5



GA aircraft at North Cargo ramp by Terminal E



GA aircraft at North Cargo

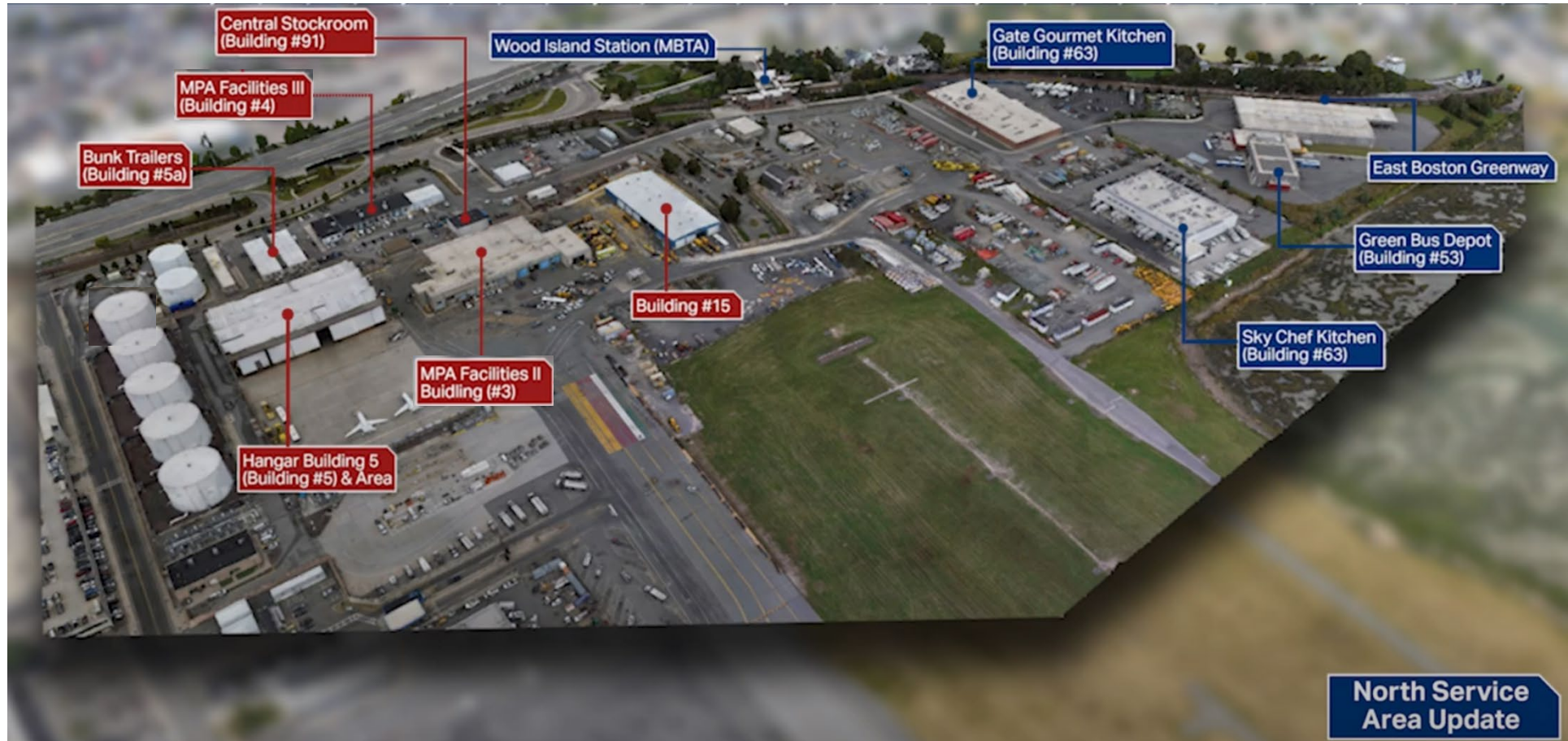


GA aircraft at General Aviation ramp



GA aircraft at Terminal E apron

North Service Area – Existing Conditions



North Service Area – Post 2030



The NSA optimization project will include net zero elements, reduce emissions, enhance resiliency, and beautify the Greenway

- New facilities will be built with solar panels for onsite clean energy generation, battery storage and sustainable materials
- Consolidated facilities will be up to 30-40% more energy efficient than the current buildings
- Construction of a coastal flood berm will provide additional protection from storm surge
- Removing nearly 150,000 annual truck trips from public roads will reduce vehicle miles traveled by 48,000/year and associated emissions
- Fewer trucks queuing at the North Gate will reduce congestion and enhance security by reducing screening requirements
- Greenway will be improved with new and enhanced landscaping and beautification measures
- New buildings will serve as additional buffers from airfield operations



Public Engagement and Next Steps

- The NSA project has been contemplated in the Logan Airport EDR/ESPR public processes:
 - 2017 ESPR
 - 2018/2019 EDR
 - 2020/2021 EDR
 - 2022 ESPR
- Staff will conduct public outreach in early 2025
- Permitting will follow public outreach
- Phased construction anticipated to begin in late 2025

Audit and Finance

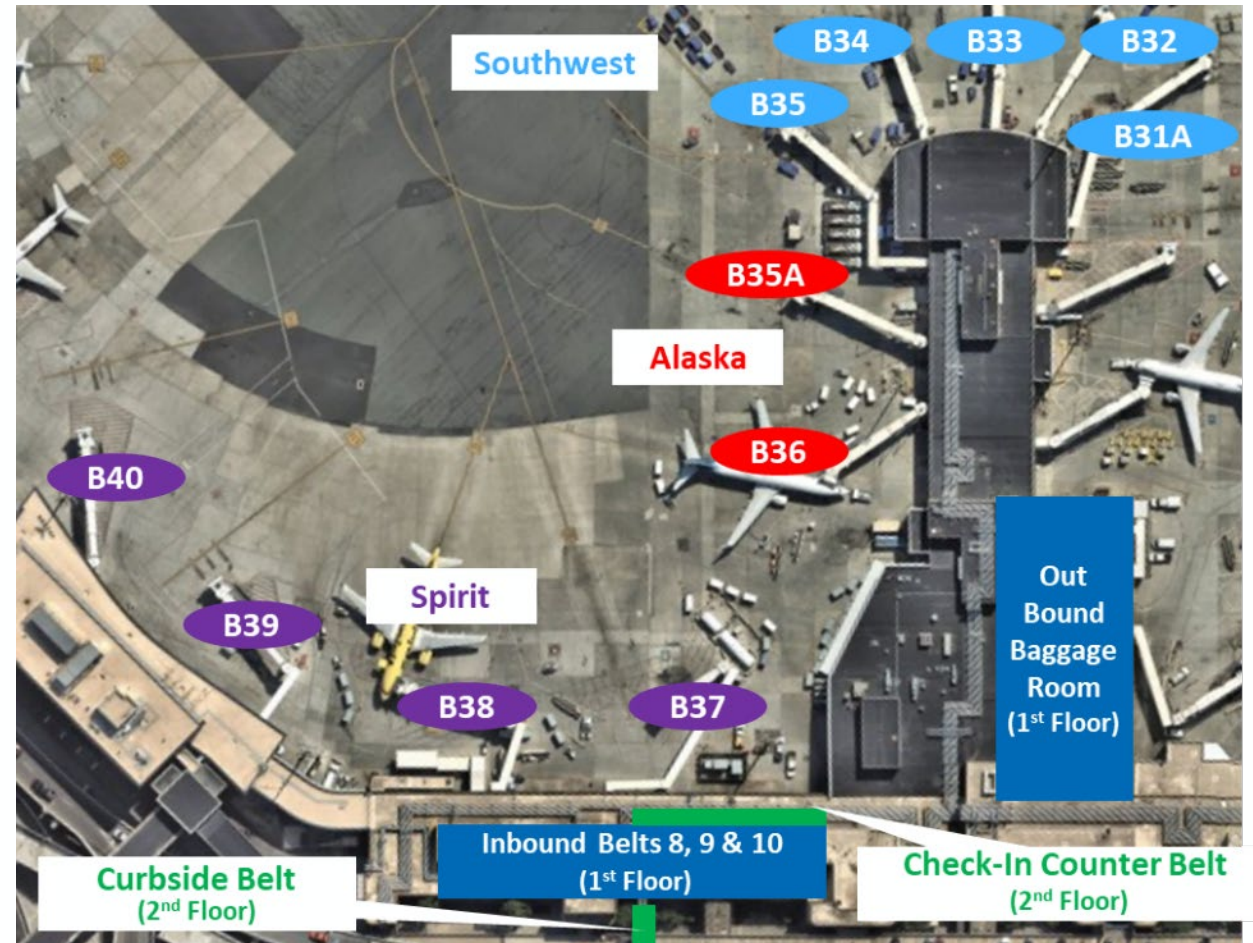
Logan Airport Terminal B Baggage Handling System Purchase and New Baggage Handling Facility Rates

Daniel Gallagher

November 21, 2024

Background

- Baggage Handling System (BHS) – Terminal B, Pier A:
 - Southwest undertook initial capital improvements for a BHS at Terminal B in 2019
 - Serves 11 gates – currently Southwest, Alaska and Spirit
- Massport has negotiated to purchase the BHS facility
- Massport assumed operation and maintenance of the BHS facility as of August 1, 2024
- Southwest's unamortized capital costs total \$6.3M
- Proposed new baggage handling rates will recover Massport's capital and operating costs of the BHS facility



Recommendation

Staff recommends the approval of the purchase of Southwest's BHS facility for the amount of \$6.3 million and the adoption of the new BHS facility rates

Logan Airport Baggage Cart Concession Agreement

Daniel Gallagher

November 21, 2024

Background

- Current Baggage Cart Services Concession Agreement expires on January 31, 2025
- Baggage Cart Concession Request for Proposal was issued on August 5, 2024
- Due to significant capital costs to enter medium/large airport markets, there are a limited number of companies providing this service to airports
- Smarte Carte was the only company to submit a proposal
 - Smarte Carte is the world's largest operator of baggage carts with equipment in 3,200 locations worldwide, including over 93 airports in the United States
- New agreement
 - Five-year term commencing February 1, 2025



Baggage Cart Agreement Financials

Smarte Carte	Proposed Agreement
Term	February 1, 2025 – January 31, 2030 (5-year term)
Minimum Annual Guarantee	\$400K
Percentage Fee	15%
Projected Revenue to Massport	\$2.4M
Cart Rental Fee	• \$7.00 per baggage cart (Years 1 and 2) • \$8.00 per baggage cart (Years 3-5)

Recommendation

Staff requests that the Board authorize the negotiation and execution of a new Baggage Cart concession agreement with Smarte Carte at Logan Airport

MarketPlace Logan, LLC Lease Amendment

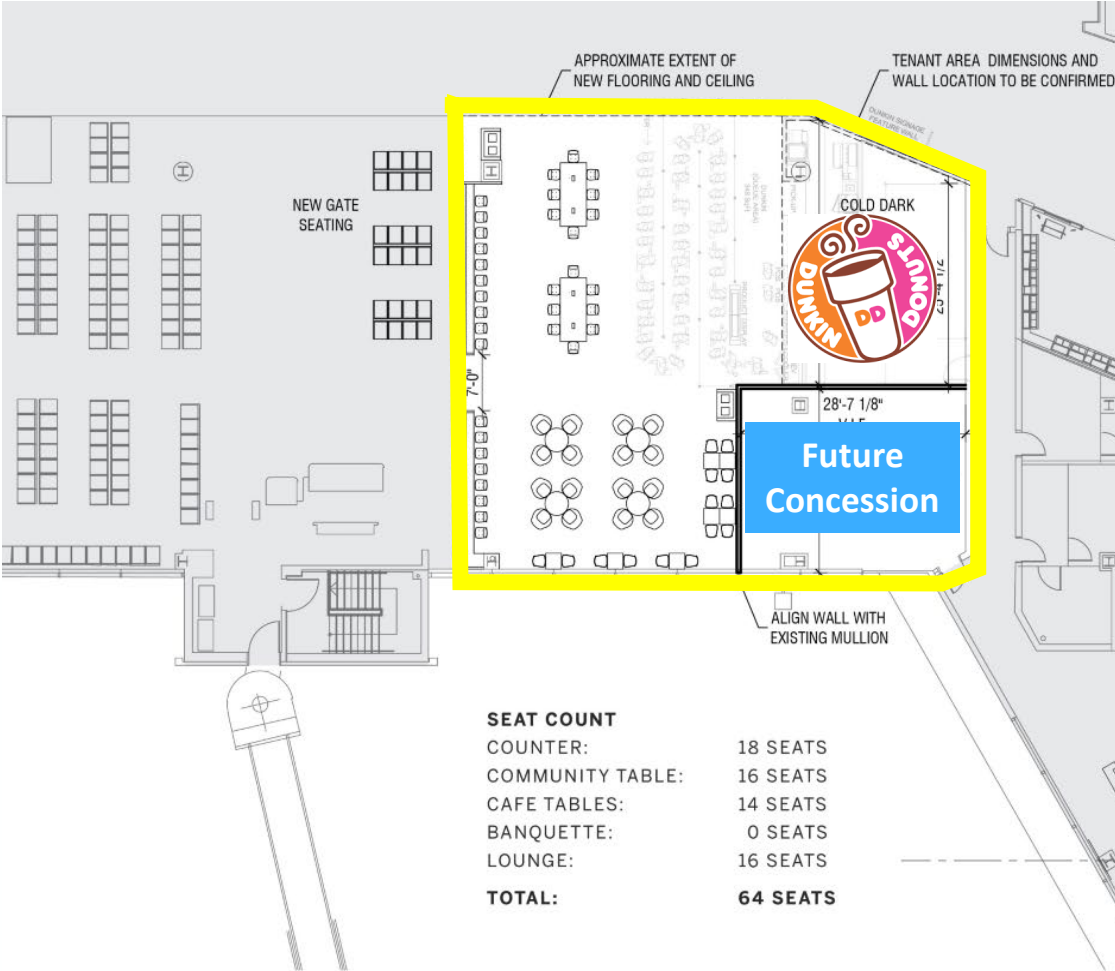
Daniel Gallagher

November 21, 2024

MarketPlace Terminal A Satellite Food Court Redevelopment

- The existing Terminal A Satellite Food Court (Gates A13-A21) faces several constraints:
 - Seating is limited
 - Existing Dunkin' unit is undersized
 - Needs an additional food and beverage unit
- Massport is working with MarketPlace to design and construct a new Terminal A Satellite Food Court in the former Summer Shack concession space to provide:
 - Approximately 64 additional food court seats
 - A new and expanded Dunkin' in the Food Court to better serve passengers
 - Space for an additional future food and beverage concept
- Construction start: Spring 2025
- Anticipated completion: Spring 2026
- Cost: \$2.7M

Terminal A Satellite Food Court Project



Projected cost: \$2.7M

Additional Terminal A Satellite Food Court Seating – preliminary rendering



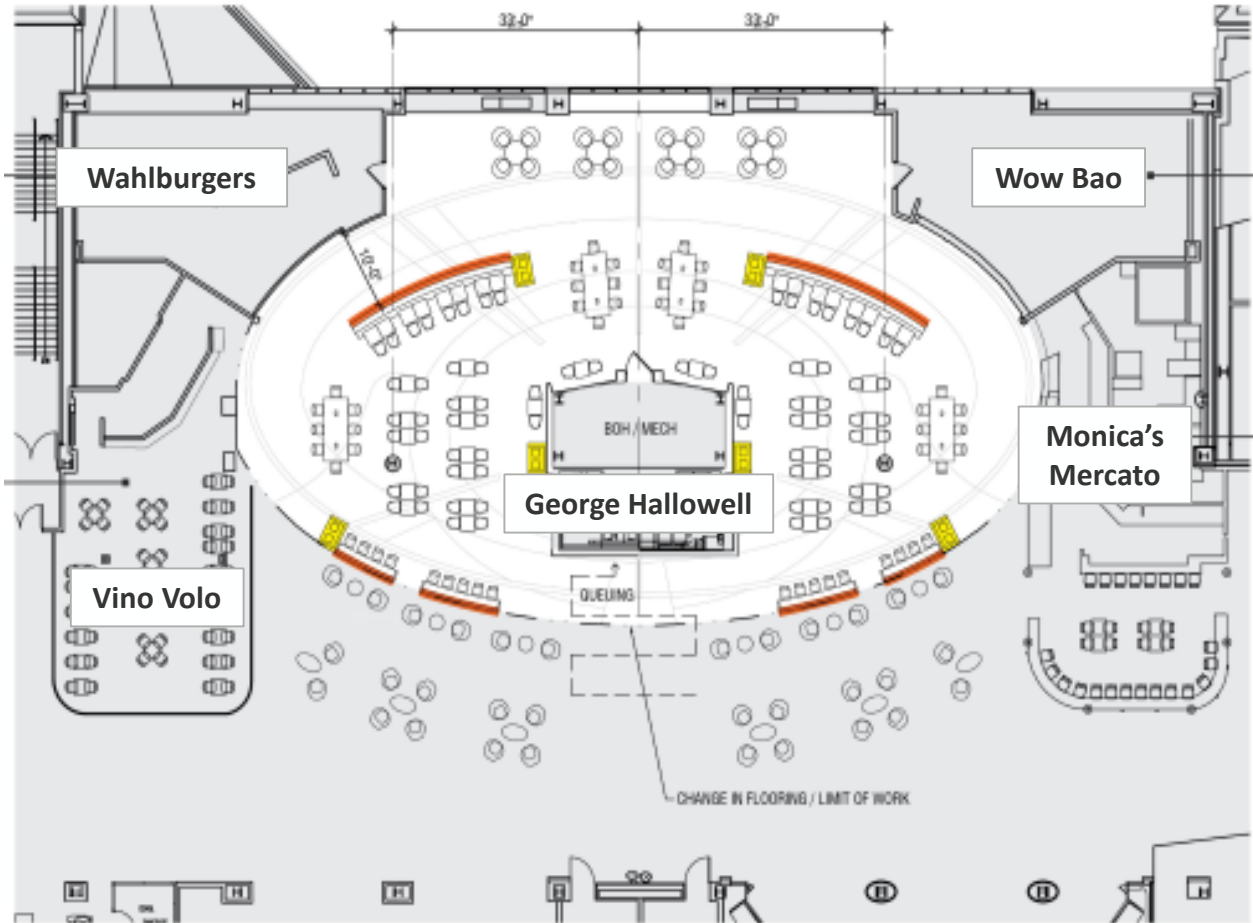
Terminal E Main Food Court Redevelopment

- Terminal E Main Food Court (Gates E3-E12) was last upgraded in 2014
- Massport is working with MarketPlace to redevelop the food court with new LED lighting, furniture, finishes, seating, and charging stations
- Construction start: January 2025
- Anticipated completion: Prior to summer 2025
- Cost: \$2.6M

Terminal E Main Food Court



Terminal E Main Food Court Remodel Project



Seat Count:	
Counter	18
Community Table	32
Café Tables	56
Banquette	32
Lounge	<u>16</u>
Total	154

Projected cost: \$2.6M

Excludes Massport lounge seating

Proposed Financial Deal & Lease Amendment

MarketPlace Capital Investment:

- Terminal A \$2.7 Million
- Terminal E \$2.6 Million
- Subtenant Capital Investment: \$1.7 Million

Proposed Amendment Terms:

- Two Year Term Extension
- Terminal A
 - Amortization Period: 10 Years (Jan 2025 through December 2034)
- Terminal E Capital Repayment
 - 5.5% Interest Rate
 - Amortization Period: 8 Years (Jan 2025 through Dec 2032)
 - Up to \$2M for capital reimbursement (furniture, fixtures, equipment, etc.)
 - MarketPlace to deduct Capital Amortization Cost (approximately \$320K) from payment to Massport

Recommendation

Staff recommends that the Board authorize the negotiation and execution of an amendment to the MarketPlace Development Agreement in order to design, construct and deliver a new food court in the Terminal A Satellite and a remodeled Terminal E Main Food Court

Logan Express Natick Mall Temporary License

Daniel Gallagher

November 21, 2024

Massport and Brookfield Properties have reached an agreement for a temporary Framingham Logan Express location at Natick Mall's F Garage



License Agreement Terms

- Brookfield Properties has agreed to license 960 parking spaces at Natick Mall to Massport
- Term: One year (January 1, 2025 - December 31, 2025)
- The F Garage at Natick Mall is currently vacant, has a capacity of 1,860 vehicles and is less than 0.5 miles from the current Framingham Logan Express garage
- License fee is \$1.05 million per year (\$3.00 per space per day)



Recommendation

Staff requests that the Board authorize the negotiation and execution of a one year license agreement with Brookfield Properties, owners of the Natick Mall F Garage, for 960 parking spaces

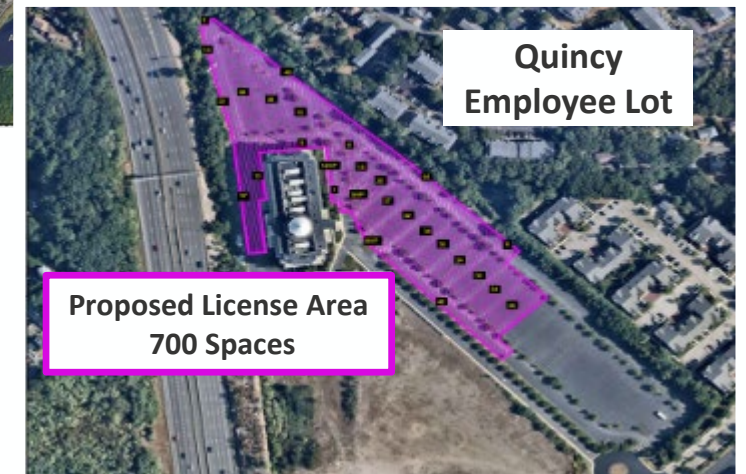
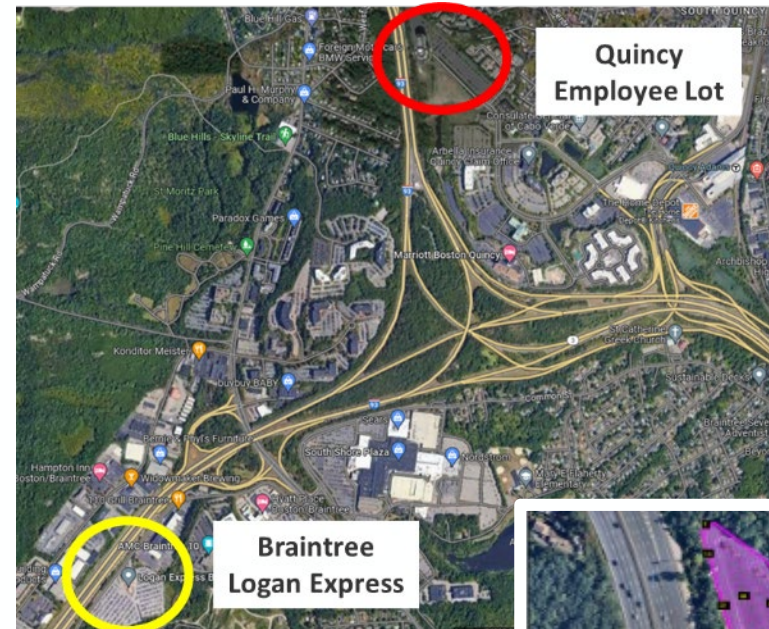
Quincy Parking License Amendment (Braintree Logan Express Employee Parking)

Daniel Gallagher

November 21, 2024

Background

- Existing Braintree Logan Express (LEX) site has approximately 1,800 parking spaces
- Due to increased LEX ridership, employee parking and shuttle operations were relocated to a new site in Quincy in February 2023 to create additional capacity for airline passengers at Braintree
- The existing Quincy Employee Lot has 600 spaces
- Employee LEX ridership is exceeding historic levels and Quincy parking demand frequently exceeds capacity
- Staff negotiated 100 additional parking spaces at the Quincy Employee Lot for an additional \$10,646 per month



Recommendation

Authorize staff to execute an Amendment with Crown Colony Office Park LLC (“Flatley”) for an additional 100 parking spaces for an additional \$10,646 per month for a total current annual license fee of \$894,250

Amendment to Minimum Wage Policy for Certain Commercial Service Operator (CSO) and Aviation Service Operator (ASO) Employees at Boston Logan International Airport

Richard Davey

November 21, 2024

Massport recommends an increase to the minimum wage policy for Commercial Service Operator (CSO) and Aviation Service Operator (ASO) Agreements

Year	MA	Logan
2014	\$8.00	--
2015	\$9.00	\$10.00
2016	\$10.00	\$11.00
2017	\$11.00	\$12.00
2018	\$11.00	\$13.00
2019	\$12.00	\$14.00
2020	\$12.75	\$15.00
2021	\$13.50	\$15.00
2022	\$14.25	\$16.00
2023	\$15.00	\$17.00
2024	\$15.00	\$18.00
2025*	\$15.00	\$19.00

Recommendation:

- Increase \$1.00 to \$19.00 per hour, effective January 1, 2025

Rationale:

- Support front line workforce
- Attract employees in a tight job market
- Keep up with inflation
- Retain workforce for safety and security



* Massport wage increase effective January 2025

Assent Agenda